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| **Council 2021 Virtual consultation of councillors, 8-18 June 2021** |  |
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| **Agenda item: ADM 14** | **Document C21/42-E** |
| **17 May 2021** |
| **Original: English** |
| Report by the Secretary-General | |
| financial operating report for the financial year 2020 | |

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| Summary  Under No. 101 of the Convention of the International Telecommunication Union and Article 30 of the Financial Regulations of the Union, the Secretary-General is requested to submit a financial operating report each year to the Council.  The Financial Operating Report for the 2020 financial year covers:  • The audited accounts for the 2020 financial year of the budget of the Union.  • The audited accounts for 2020 for technical cooperation projects, voluntary contributions and the ITU Staff Superannuation and Benevolent Funds.  • The audited ITU TELECOM World 2020 event.  Action required  The financial operating report on the audited accounts and the draft resolution in Annex A are submitted to the Council for **consideration** and **approval**.  Once examined and approved by the Council, the report will be communicated to the Member States and Sector Members.  \_\_\_\_\_\_\_\_\_\_\_\_  References  *Convention: No.* [*101*](https://www.itu.int/en/council/Documents/basic-texts/Convention-E.pdf)  *Financial Regulations of the Union:* [*Article 30*](https://www.itu.int/en/council/Documents/Financial-Regulations/S-GEN-REG_RGTFIN-2018-PDF-E.pdf) |

***Annexes:*** *12*



**Financial operating report**

In accordance with Article 30 of the Financial Regulations of the Union − Edition 2018, this financial operating report on the audited accounts gives the financial results at 31 December 2020 for accounts held by the International Telecommunication Union (ITU).

The Financial Statements are prepared in accordance with the International Public Sector Accounting Standards (IPSAS) since 2010 and cover the following:

– the Union’s financial year 2020

– the ITU Staff Superannuation and Benevolent Funds for 2020

– the United Nations Joint Staff Pension Fund for 2020

– technical cooperation projects funded by the United Nations Development Programme (UNDP) for 2020

– trust funds for 2020

– voluntary contributions for 2020

– the ICT Development Fund for 2020

– the ITU TELECOM World 2020 event

– the new building project

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Foreword by the Secretary-General

1. I have the honor to present to the Council for examination, in accordance with Article 30 of the Financial Regulations of the Union − Edition 2018, the audited financial statements for the financial year which closed on 31 December 2020.
2. The Report of the External Auditor on the financial statements for 2020, as well as his opinion on the financial statements, as required by Article 28 of, and Annex 1 to, the Financial Regulations of the Union, will also be submitted to the Virtual Consultation of councilors in a separate document.
3. The 2020 Financial Statements have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS). The Financial Regulations stipulate a biennial budgetary period; however, for a full implementation of the IPSAS, the financial statements are presented on an annual basis.
4. ITU has applied the IPSAS standards in force at 1 January 2020, and the accounting principles applied are described in Note 2. The only derogation made in the financial statements presented is the non-capitalization of direct labor costs in the valuation of publication, contrary to the requirements of IPSAS 12. The capitalization of labor costs might result in a valuation of publications significantly above net realizable value based on current publication pricing and thus in an impairment to apply the lower of cost or net realizable value, respectively current replacement cost.
5. Document C11/INF/9 sets out the definitions of several key financial terms that will facilitate the readers’ use and understanding of the financial statements.

Key events during the 2020 financial period

1. The arrival of COVID-19 and the global pandemic forced the ITU to adapt and reorganize itself on the basis of telework but also on a virtual meeting mode.
2. Indeed, the health situation did not allow the ITU to hold the scheduled meetings in person.
3. However, after the mobilization of technical means but also the will of all our partners (Member States, Sector Members, Associates and Academia), the activities of the Union could be continued.
4. During the year 2020, the programme of activities carried out by the Union included among numerous virtual meetings, the following main events:
5. The World Summit on the Information Society (WSIS) were spread over the summer months to culminate in the final week of the Forum held from 7 to 10 September 2020. As with the physical event, attendees were able to watch and listen to all live sessions, interact with panelists through a Q&A, engage and network with different communities, share emerging technologies and recent developments in the ICT sector in facing COVID-19 pandemic to continue working towards building inclusive information and knowledge societies. In 2020, the theme was **“Fostering digital transformation and global partnerships: WSIS Action Lines for achieving the Sustainable Development Goals (SDGs)”.** For this 15th edition, the Forum garnered a lot of interest and excitement worldwide – with a cumulative attendance of over 15,000 attendees from around 150 countries who took part in about 160 virtual sessions with 846 different speakers. The virtual sessions were organized by WSIS stakeholders to highlight the role of ICTs in sustainable development.
6. Due to the COVID-19 pandemic, theAI for Good Global Summit was transformed into a year-long virtual event. A weekly digital programme was implemented with new keynotes, expert webinars, project pitches, Q&As, demos and networking opportunities. Thus, not less than 50 events took place. Several subjects such as Artificial intelligence for health, AI technologies to Achieve Gender equity or keeping our Children Safe with AI were addressed and discussed throughout the year.
7. Originally scheduled to take place in Hanoi, Viet Nam from 6 to 9 September 2020, the ITU Telecom Secretariat organized, with the support of the Host Country, a series of virtual events during 2020 which set the framework for the physical event and continue to provide a platform for all our stakeholders until they can convene in person. The first event was ITU Virtual Digital World 2020 in October 2020, which comprised Ministerial roundtables focusing on "The role of digital technologies during and after the COVID-19 pandemic”, plus Forum webinar sessions. The ITU Digital World 2020 Virtual SME Awards and Masterclasses took place online in November and December 2020.
8. During 2020, the Union continued its coordinated process improvements and cost saving efforts as requested in Annex 2 to Decision 5 (Rev. Dubai, 2018).
9. ITU is an active participant in the United Nations Jointly Financed Activities. Recent initiatives have resulted in cost reductions for participating entities, i.e., lower costs for electricity, office supplies, fuel, and postal services, and negotiated prices with airline companies.
10. As from 1 January 2020, based on a recommendation of the *Committee of the Medical Insurance Plan,* the Secretary-General took the decision to join the United Nations Staff Mutual Insurance Society (UNSMIS). This plan brings together several organizations and specialized agencies of the United Nations based in Geneva and includes the staff of the UN office, UNHCR and WMO.

Financial operating report highlights

1. The Union’s accounts are kept in Swiss Francs. The financial statements presented include the Extra-budgetary activities of the Union.
2. The table below summarizes the financial situation of the ITU in 2020 as compared to 2019.

|  |  |  |  |
| --- | --- | --- | --- |
| KCHF |  | 2020 | 2019 |
| Revenue |  | 170,373 | 187,177 |
| Expenses |  | 217,632 | 244,640 |
| **Surplus (Deficit)** |  | **-47,259** | **-57,463** |
| Asset |  | 408,974 | 457,501 |
| Liabilities |  | 909,543 | 910,147 |
| **Net assets** |  | **-500,570** | **-452,646** |

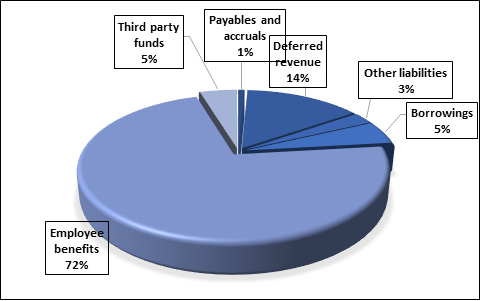
1. The financial results shown in the table above include some non-budgeted items such as Depreciation and Adjustment of the ASHI provision. As per the requirement of IPSAS 24, the comparison of budgeted amounts and actuals amounts on a comparable basis is presented in Table V of the financial statements.
2. On a budgetary basis, the Union presents a CHF 1.48 million deficit for the year 2020. However, in Resolution 1396 on the Budget of the Union for 2020-2021, an amount of CHF 3.65 million was planned to balance the 2020 budget.
3. The budgetary deficit was therefore withdrawn from the savings from previous year as approved by Resolution 1396.
4. In 2020, a follow-up on the allocation was made further to the allocation of the previous surplus. From the savings not fully used, CHF 0.68 million was reserved for Decision 619 on the Headquarters premises and the needs for 2021. CHF 2 million was paid into the Risk register fund for the new building.
5. It should also be noted that in accordance with Decision 5 (Rev. Dubai, 2018), an amount of CHF 1 million was withdrawn from the Reserve Account to be paid to the ASHI reserve.
6. Due to the postponement of the WTSA and of RPM for WTDC, a total amount of CHF 1.86 million was recognized as deferred activities and will be withdrawn from the Reserve Account to be used in 2021 and 2022. At 31 December 2020, the balance of the Reserve Account stood at CHF 25.8 million, corresponding to 15.6 per cent of the budget for 2020 (CHF 24.9 million for 2019).
7. In 2020, the ITU revenues amounted to KCHF 170’373 (KCHF 187’177 in 2019) reflected as follows:
8. The main source of revenue comes from assessed contributions representing 74 per cent in 2020 which reflects a slight increase compared to 2019, followed by the cost recovery revenue representing 24 per cent which included mainly the sales of publications and the satellite network filings.
9. In 2020, the ITU expenses amounted to KCHF 217’632 (KCHF 244’640 in 2019) reflected as follows:

**Financial position: Asset representation for 2020**

**Financial position: Asset comparison between 2020 and 2019**

1. In 2020, it was noted an increase of the investment and a decrease of the cash and cash equivalent. Since 2015 and the introduction of the negative interest on the Swiss Francs and the Euros, ITU had to reorganize the treasury. In 2020, all ITU accounts had to face negative interests. In order to minimize and neutralize the impact, it was decided to buy US Dollars to invest in short term deposits.
2. The usual expenses for the implementation of the budget 2020 remained stable thanks to a strict monitoring of the budget.

**Financial position: liabilities representation for 2020**



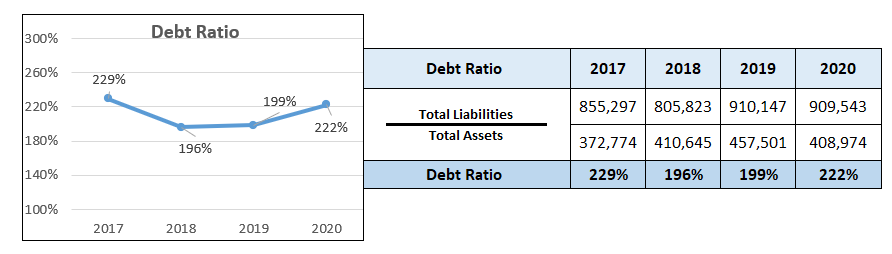
**Liabilities comparison: The liabilities at 31 December 2020 totaled CHF 909’542**

1. The most significant liabilities were the future employee benefits accrued by staff members and retirees. These represented 72 per cent of the ITU’s total liabilities as at 31 December 2020.
2. The ASHI liability still represented 96 per cent of the total employee benefits’ liability which is stable despite an increase of the ASHI liability due to the decrease of the discount rate from 0.6 per cent to 0.2 per cent.
3. It is to be noted that certain expenses were not budgeted. These include mainly depreciation, unrealized exchange-rate losses and gains, and an adjustment of the provision for After-Service Health Insurance (ASHI). These expenses are mostly statistical and do not represent cash-outflows during the year. An overview of these positions is provided in Table V of this document - Comparison of budgeted amounts and actual amounts for the 2020 financial period.
4. Cash contributions received for trust funds amounted to CHF 8 million in 2020 (CHF 11.8 million in 2019).
5. Voluntary cash contributions received for the various activities amounted to CHF 2.8 million in 2020 which represented an increase of 30 per cent compared to 2019 (CHF 2.1 million).
6. The balance of the ICT Development Fund stood at CHF 3.8 million at 31 December 2020 (CHF 4.6 million at 31 December 2019).
7. In 2020, total expenses for trust funds amounted to CHF 6.7 million generating CHF 0.24 million of project support revenue.
8. Due to COVID-19, the ITU TELECOM World has been deferred to 2021. It was not possible to raise revenue although the TELECOM Secretariat had still to support direct expenses such as salaries. The ITU Digital World 2020 has therefore a deficit amounting to CHF 1.9 million which was withdrawn from the Exhibition working capital fund. The balance of the Exhibition working capital fund stood at CHF 6.5 million at 31 December 2020 (CHF 8.21 million at 31 December 2019).
9. Resolution 11 (Rev. Dubai, 2018) allocated CHF 750’000 to proceed with the review of TELECOM activities. A company was hired and have started the review. The available fund for this project as of 31 December 2020 amounts to CHF 125’434.
10. Annex D hereto shows changes in arrears with respect to TELECOM events.
11. The accompanying notes to the financial statements provide relevant information on financial aspects pertaining to the 2020 period.

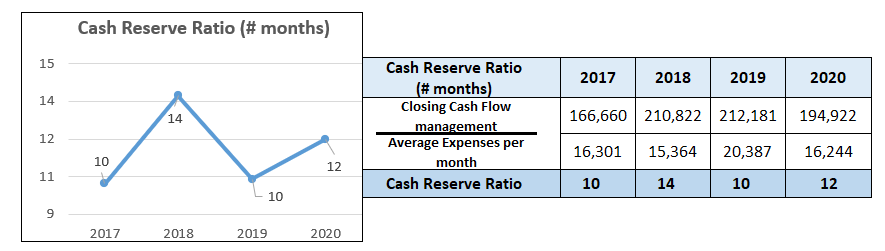
**Financial key indicators**

1. Since 2015, ITU has been presenting Key indicators which is a useful tool in understanding the evolution of the financial situation of an organization and is of high importance in a results-based budgeting and results-based management framework.
2. Careful interpretation of the results of the indicators is necessary to obtain meaningful comparison with other United Nations organizations and specialized agencies.

**Financial Stability and Safety / Risk**

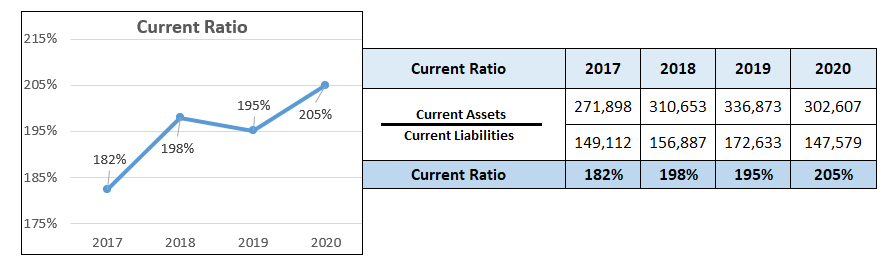


**Reserve of Equity and Cash**



1. The evaluation of the Cash Reserve is expressed in a number of months and reflects a stability over the years. It has to be noted that part of the cash has not an immediate availability and therefore requires to be monitored carefully to cover the monthly needs.

**Short term solvency**

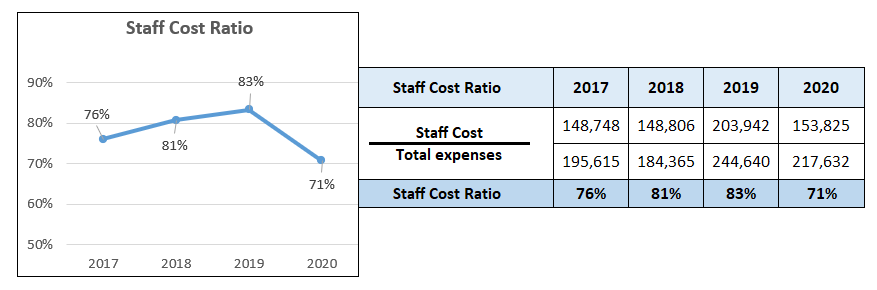


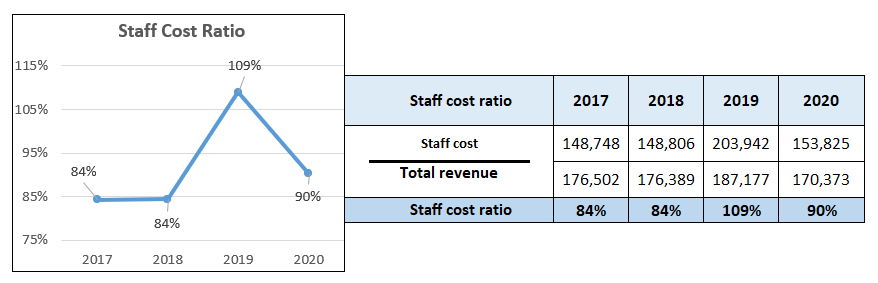


1. The solvency ratio helps to see the financial health of ITU on a short-term basis. The high result respectively 205 per cent and 132 per cent of these two ratios confirm the good situation of the Union and its ability to fulfil the short-term obligations.

**Financial Performance**

1. This ratio represents the financial performance for the regular budget approved and is based on the budget results.





1. The evolution of the ratio related to staff costs has been relatively stable over the last four years. A major part of the expenses (71 per cent in 2020) is allocated to staff costs, allowing the ITU to fulfill the implementation of the programme of activities as decided in the operational plan during PP-18. In 2020, the ratio came back to the similar level as in 2018. The exceptionally high ratio in 2019 was due to the change of the health insurance plan from CIGNA to UNSMIS and a one-time adjustment of the past service cost.

Going concern

1. I have assessed the implications of any potential fall in contributions stemming from global economic and financial crises and have looked into whether this would result in a cutback in the Union’s activities. Having regard to projected activities and the associated risks, I can affirm that the Union has adequate resources to maintain its operations in the medium term. We shall therefore continue to draw up the Union’s financial statements on the basis of the going concern principle.
2. I am aware of my responsibility with regard to the transparency and accessibility to the public, after the approval by Council, of the IMAC annual report, the external audit annual report and the internal audit annual report.
3. The Statement of Internal Control for 2020 has been included in this financial operating report.

Responsibility

1. As provided for in Article 30 of the Financial Regulations of the Union, I have the pleasure in submitting the following financial statements, drawn up in accordance with IPSAS. I certify that, to the best of my knowledge, all operations during the period in question were properly recognized in the books and that those operations, as well as the financial statements and notes thereto, which form an integral part of this document, present an accurate view of the Union’s financial situation at 31 December 2020.

I. Statement of financial position - Balance sheet at 31 December 2020

II. Statement of financial performance for the period which closed on 31 December 2020

III. Statement of changes in net assets for the period which closed on 31 December 2020

IV. Statement of cash flows for the period which closed on 31 December 2020

V. Statement of comparison of budgeted amounts and actual amounts for 2020

Management Report 2020

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|  | |
|  | Geneva, 15 March 2021 |
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Management report from the senior management of the International Telecommunication Union (ITU)

In connection with the audit of the annual accounts of the International Telecommunication Union (ITU) for the 2020 financial year on 31 December 2020, we hereby submit this management report.

We have prepared the annual accounts for submission to the ITU External Auditor and subsequent transmission and approval by the ITU Council. We are aware of our responsibility with regard to the transparency of and accessibility to the annual accounts, and the establishment and maintenance of sustainable accounting and internal control systems, including measures to prevent and detect significant errors and fraud.

1. The annual accounts and related notes and associated disclosures comply with IPSAS, the Financial Regulations and Financial Rules and the relevant resolutions adopted by the Governing Bodies of the Organization.
2. All transactions have been properly documented. We have made available to the ITU External Auditor all the relevant information, provided him and his colleagues access to our books and accounting vouchers as well as business correspondence and have informed them of any decisions that could have a significant impact on the annual accounts. Unrestricted access has been granted to the ITU External Auditors to persons within the entity from whom it was determined as necessary to obtain audit evidence.
3. All transactions pertaining to 2020 have been recorded in the statement of financial performance at appropriated amounts. All the assets, liabilities and equity balances have been recorded in the statement of the financial situation at appropriated amounts. As ITU holds sufficient legal rights over all the assets entered in the balance sheet, there is no pledge or encumbrance on any ITU asset that is not mentioned in the annex. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with IPSAS requirements. There are no other contracts, credit agreements, litigations or other disputes liable to significantly alter the assessment of the annual ITU accounts.
4. All events subsequent to the date of the financial statements and for which IPSAS require adjustment or disclosure have been adjusted or disclosed.
5. The main assumptions made for valuations and the information on fair values are in our opinion appropriate, reflect our intention and comply with the accounting principles applied.
6. We confirm that an internal control system relating to financial reporting is in place to provide reasonable assurance regarding the reliability of financial reporting and the preparation of annual accounts for external purposes in accordance with the Financial Regulations and Financial Rules. This system includes relevant policies and procedures that:

* pertains to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions;
* provides reasonable assurance that transactions are recorded as necessary to enable the preparation of the annual accounts and that receipts and expenditures are made in accordance with the authorizations of management in compliance with the Financial Regulations and Financial Rules;
* provides reasonable assurance regarding the prevention or timely detection of unauthorized acquisitions, use or disposition of assets.

1. We confirm that risks identified and recommendations issued by Internal Audit (IA), the ITU External Auditor (EA) and the Independent Management Advisory Committee (IMAC) are taken into account and acted upon, as appropriate. The Council Working Group on Financial and Human Resources is informed annually on the status of the implementation of these recommendations.
2. In 2020, the *working group on internal controls* (WGIC), chaired by the BDT Director has continued its work on strengthening internal controls of BDT (HQ and regional/area offices) with the participation of all the concerned stakeholders from BDT and departments of the General Secretariat. The group’s mandate is to coordinate the development and implementation of an Action Plan for BDT, and ITU in general, and to address all the initial findings/recommendations from IA and EA. As reported to the Council Working Group on Financial and Human Resources at its 12th session in January 2021, at the end of 2020, the implementation rate of all related recommendations of IA, EA and IMAC is 80 per cent.
3. ITU management decided in November 2020 to set up a corporate compliance dashboard including the recommendations of EA, IMAC, Joint Inspection Unit (JIU) and IA. This tool enables ITU management and oversight functions (Internal Audit, External Audit and IMAC) to have a clear view of the recommendations in progress, the risk related to these recommendations, real-time and/or regular information concerning the progress made to implement the recommendations or to mitigate the residual risk and dispatch automated email notifications and reminders, where necessary.
4. The following system and measures were under implementation:

* New e-recruitment system and competitive procedures for selection of consultants;
* Improved management and control of the use of consultants;
* Common IT Systems for BDT;
* Accountability Framework.

1. In relation to the Bangkok office’s fraud case, the disciplinary sanctions with respect to those staff that had a direct or indirect responsibility, have been completed. Simultaneously, a legal action has also been taken in Thailand and a law firm has been appointed to represent ITU.
2. We are of the opinion that the impact of non-adjusted differences identified during the audit – taken individually or together – is negligible in terms of the overall financial statements.
3. **A case of suspected fraud concerning a staff member claiming education grants was identified in early 2020 and the internal investigation was completed in October 2020. In conformity with Article 28.9 of the ITU Financial Regulations and Financial Rules, EA was informed of this case. To the best of our knowledge and belief, the annual accounts present fairly the financial position at 31 December 2020. We have no knowledge of any events that might raise due doubt as to ITU’s capacity as a going concern.**

**14. We confirm that we are in compliance with ITU Financial Regulations and Financial Rules (Article 28.9) which stipulates that *any case of fraud or suspected fraud shall be submitted by the Secretary-General to the External Auditor without delay*. We also have no knowledge of any other events that might raise due doubt as to ITU’s capacity as a going concern.**

15. It is in this regard and to alleviate the risk of fraud that a new procurement procedure has been developed for specific type of cases to ensure appropriate control level and segregation of duties between the requisition, funding approval and procurement functions. These procedures were introduced in 2019. In addition, a procurement manual has been promulgated in June 2019, which is also further strengthen the procurement function at ITU.

16. All circumstances having an impact on the accounts that have arisen prior to the conclusion of the EA work have been duly taken into consideration in drawing up these annual accounts. We shall not fail to inform the ITU External Auditor immediately of any new event liable to affect the annual accounts retrospectively that might come to our attention between now and the date of the next Council session.



STATEMENT ON INTERNAL CONTROL FOR 2020

## Scope of responsibility

As Secretary-General of the International Telecommunication Union (ITU), I shall act as the legal representative of the Union. I take all the actions required to ensure economic use of the Union’s resources and be responsible to the Council for all the administrative and financial aspects of the Union’s activities, in accordance with the responsibilities assigned to me, in particular in provisions Nos 73 bis and 75 of the Constitution (Article 11), and in Articles 1, 10, 16, 28, 29 and 30 of the Financial Regulations and Financial Rules.

## Purpose of the system of internal control

The system of internal control is designed to reduce and manage rather than eliminate the risk of failure to achieve the organization’s policies, aims and objectives. Therefore, it can only provide a reasonable and not absolute assurance of effectiveness. It is based on an ongoing process designed to identify the principal risks, to evaluate the nature and extent of those risks and to manage them efficiently, effectively, and economically. ITU management is charged with the responsibility of establishing a network of processes with the objective of controlling the operations of ITU in a manner that provides the governing bodies’ reasonable assurance that:

* The Organization’s plans, programmes, goals and objectives are achieved;
* Resources are acquired economically and employed profitably; quality business processes and continuous improvement are emphasized;
* The Organization’s resources (including its people, system, data/information) are adequately protected;
* The actions of Elected Officials, Senior Counsellors, Professionals and General Services Staff are following the Organization’s policies, standards, plans and procedures, and all relevant laws, rules and regulations;
* Data and information published either internally or externally is accurate, reliable, and timely.

Risk management and the management of internal controls are functions of management and are an integral part of the overall process of managing operations. As such, it is the responsibility of ITU managers at all levels to:

* Identify and evaluate the exposures to possible risks that relate to their sphere of operations;
* Specify and propose policies, plans, and operating standards, procedures, systems, and other guidelines to be used to minimize and/or mitigate the risks associated with the exposures identified;
* Establish practical controlling processes that require and encourage employees to carry out their duties and responsibilities in a manner that helps achieve the five control objectives outlined in the preceding paragraph;
* Maintain the effectiveness of the controlling processes that have been established and foster continuous improvement to these processes.

**Capacity to handle risk**

As an integral part of its system of internal control, the ITU Management is committed to implement an Integrated Risk Management (IRM) process throughout the Organization.

1. ITU’s system of internal control is centred on the use of SAP as integrated information management system:

* Mirroring the Organization’s structure, work and accountability flows;
* Capturing the budget allocation of resources allocated to the Organization as described in the Organization’s Basic Texts adopted by the Plenipotentiary Conference;
* Enabling system integrated controls and four eyes principle;
* Enabling the direction, monitoring and measurement of resource utilization through IPSAS accounting and reporting, periodical stocktaking and documented procurement processes and controls.

1. ITU financial reporting reliability and follow-up of resource consumption according to strategic goals is based on the integrated information management system and on the strong control of resources commitment.
2. Moreover, the Contracts Committee assists the Secretary-General in ensuring the efficient use of ITU resources in line with the best-interests of the Union, the Legal Affairs Unit provide guidance throughout the Organization for the respect of laws, rules and regulations, and the Ethics Office contributes to the communication and promotion of ITU ethics policies. Through its audit work, the Internal Audit Unit also provides assurance to the Secretary-General on the Organization’s governance, risk management and effectiveness of controls.
3. Strategic risk management is integrated in the ITU strategic planning through the identification of strategic risks and related mitigation measures. This risk management framework is part of the ITU Strategic Plan 2020-2023, which has been approved during the 2018 Plenipotentiary Conference, as reflected in Resolution 71 (Rev. Dubai, 2018). The risk management framework continues being further developed through the elaboration of a risk management policy, a corporate risk management statement and a strategic risk management register.
4. Management of the operational risks is also part of the ITU business management processes. ITU management, including the three Bureaux and the General Secretariat, regularly review the risks associated with the achievement of the objectives of each part of the organization and implement the necessary mitigation measures, while establishing the risk controls to monitor the status of the residual risks.

# Review of effectiveness

1. My review of the effectiveness of the system of internal control is informed by the work of the executive managers who have the responsibility for the identification and maintenance of the internal control framework in their areas of responsibility. I derive assurance from internal letters of representation signed by key ITU managers and officers, confirming that the following requirements for the financial period 2020 have been respected:

* The conformity of commitments or obligations and expenses with the appropriations or other financial provisions approved by the Council or with the purposes, rules and provisions relating to the funds concerned;
* The effective, efficient and economical use of the resources of the Union;
* The regularity of the receipt, custody and disbursement of all funds and other resources of the Union;
* The timelines, completeness and accuracy of financial and other administrative data.

2. Basic Texts of the Union, Regulations, Rules, Service Orders, Office Memoranda, and Information Circulars comprise the ITU Regulatory Framework.

3. All ITU systems, processes, operations, functions and activities can be subject to internal audit by the Internal Audit Unit.  The Internal Audit Unit strives, whilst conducting its work, to comply with the International Standards for the Professional Practice for Internal Auditing. I rely on the audit work for obtaining assurance that the Organization’s governance and risk management are adequate and that controls are effective.

4. A service order issued on 2 May 2019 on the ITU Policy Against Fraudulent and Other Proscribed Practices (the “Policy”) outlines the policy and procedures adopted by ITU to prevent, detect and respond to fraudulent and other proscribed practices. ITU personnel with information or evidence to support a reasonable belief of fraud, corruption and other proscribed practices have a duty to report it and will be protected from retaliation related to such reports.

5. This Policy is part of ITU’s Enterprise Risk Management and is operationalized through preventative and detective controls in all key corporate processes. It reflects ITU’s commitment to upholding the highest standards of ethics, transparency and accountability.

6. Another service order also issued on 2 May 2019 on the ITU Investigation Guidelines, contains procedures to be followed in the conduct of an investigation, including steps to prevent leaking of confidential information and ensure a prompt response to cases of fraud.

7. In 2020, the internal working group has continued their work on strengthening internal controls of BDT (HQ and regional/area offices) with the participation of all the concerned stakeholders from BDT and departments of the General Secretariat. The group’s mandate is to coordinate the development and implementation of an Action Plan for BDT and ITU in general, and to address all the initial findings/recommendations from Internal and External Audit.

8. At the end of 2020, the implementation rate of all related recommendations of the Internal Audit, External audit and IMAC is 80 per cent.

9. ITU management decided in November 2020 to set up a corporate compliance dashboard including the recommendations of EA, IMAC, JIU and IA. This tool enables ITU management and oversight bodies (Internal Audit, External Audit and IMAC) to have a clear view of the recommendations in progress, the risk related to these recommendations, real-time information concerning the progress made to implement the recommendations or to mitigate the residual risk and dispatch automated email notifications and reminders, where necessary.

10. The following system and measures were under implementation:

* New e-recruitment system and competitive procedures for selection of consultants;
* Improved management and control of the use of consultants;
* Common IT Systems for BDT;
* Accountability Framework.

11. In relation to the Bangkok’s fraud case, the disciplinary sanctions have been completed. Simultaneously, a legal action has also been taken in Thailand and a law firm has been appointed to represent ITU.

12. A case of suspected fraud concerning a staff member claiming education grants was identified in early 2020. In conformity with Article 28.9 of the ITU Financial Regulations and Financial Rules, the ITU External Auditor was informed of this case.

13. I also receive the reports from the ITU External Auditor, which may contain recommendations relating to internal control issues. All the recommendations made by the ITU External Auditor are considered and action plans established as appropriate to address any identified weaknesses, so as to ensure continuous improvement. Management’s responses to the ITU External Auditor’s recommendations are followed up by the Council Working Group on Financial and Human Resources (CWG-FHR).

14. I have taken note of the Internal Auditor’s findings regarding the need to improve governance and risk management of some of the processes reviewed and to render the controls more effective in the various areas audited. Actions have been and will continue to be undertaken to reinforce internal controls and reduce risks.

15. I am further advised by the Independent Management Advisory Committee (IMAC) that serves in an expert advisory capacity and assists the Secretary-General and the Council in fulfilling their governance responsibilities, including ensuring the effectiveness of ITU’s internal control system, risk management and governance processes.

# Statement

I am committed to ensure continuous improvement of the system of internal control. However, even effective internal control, no matter how well designed, has inherent limitations \_\_ including the possibility of circumvention \_\_ and therefore can provide only reasonable but not absolute assurance. Furthermore, because of changes of conditions, the effectiveness of internal control may vary over time.

Management seeks to address any weaknesses encountered in internal controls during the normal course of ITU operations or identified in oversight observations. This is primarily ensured by the process in place to follow up the implementation of oversight recommendations during the past year. Based on the above, I conclude that the Union had an effective system of internal control for the year ended 31 December 2020, and up to the date of the approval of the financial statements.



Geneva, 15 March 2021

**Certification of the financial statements for the year ended 31 December 2020**

**International Telecommunication Union, Geneva**

According to Article 30 of the Financial Regulations, the accounts and financial statements for the International Telecommunication Union have been established and maintained in accordance with IPSAS. The financial statements for the year ended 31 December 2020, together with the notes to the statements and relevant annexes, have been reviewed and are approved.

15 March 2021



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**II – Statement of financial performance for the period which closed on  
31 December 2020 with comparative figures as at 31 December 2019**

|  |  |  |
| --- | --- | --- |
| (in thousands of Swiss francs) | **31/12/2020** | **31/12/2019** |
|  |  |  |
| **REVENUE** |  |  |
|  |  |  |
| Assessed contributions | 125,741 | 126,485 |
| Voluntary contributions | 8,300 | 10,456 |
| Other operating revenue | 40,213 | 39,366 |
| In-kind contributions | 820 | 841 |
| Finance revenue | -4,700 | 10,030 |
|  |  |  |
| **Total revenue** | **170,373** | **187,177** |
|  |  |  |
| **EXPENSES** |  |  |
|  |  |  |
| Employee expenses | 153,825 | 203,942 |
| Mission expenses | 1,003 | 7,767 |
| Contractual services | 14,512 | 13,821 |
| Rental and maintenance of premises and equipment | 3,004 | 4,175 |
| Equipment and supplies | 2,896 | 3,816 |
| Depreciation and impairment losses | 16,598 | 4,570 |
| Shipping, telecommunication and service expenses | 1,599 | 1,619 |
| Other expenses | 8,306 | 411 |
| In-kind expenses | 820 | 841 |
| Finance expenses | 15,069 | 3,679 |
|  |  |  |
| **Total expenses** | **217,632** | **244,640** |
| **Surplus/deficit for the period** | -47,259 | -57,464 |

III – Statement of changes in net assets for the period which closed  
on 31 December 2020

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **(in thousands of CHF)** | **31.12.2019** | **Surplus deficit 2020** | **Other adjustments** | **31.12.2020** |
| **IPSAS transition** | **-125,100** | - | - | **-125,100** |
| **Reserve Account** | **24,935** | - | **867** | **25,802** |
| **Other reserves** | **72,203** | **4,875** | **-15,853** | **61,225** |
| Savings from previous year | 10,252 | -1,483 | -3,746 | 5,023 |
| Investment fund | 11,985 | 1,799 | 1,033 | 14,817 |
| New Building fund | -4,862 | -4,228 | - | -9,090 |
| New Building Reserve | 8,182 | 10,006 | - | 18,188 |
| Risk Register find | 1,425 | - | 2,005 | 3,430 |
| Welfare fund | 348 | - | - | 348 |
| Centenary fund | 212 | - | - | 212 |
| SS&B Complement fund | 6,166 | 8 | - | 6,174 |
| SS&B Assistance fund | 278 | - | - | 278 |
| Ashi fund | 12,000 | - | 1,000 | 13,000 |
| Health Insurance fund | 20,332 | - | -18,578 | 1,754 |
| Extra budgetary allocated reserves | 5,336 | -1,227 | 3,899 | 8,008 |
| Currency exchange translation | 549 | 0 | -1,465 | -916 |
| **Extra-budgetary activities related funds** | **13,181** | **-1,905** | **-893** | **10,383** |
| TLC | 8,563 | -1,905 | -42 | 6,616 |
| Others | 4,618 | - | -851 | 3,767 |
| **ASHI actuarial losses** | **-278,315** | **-** | **15,214** | **-263,101** |
| **IPSAS cumulated deficit (statistical)** | **-159,551** | -50,229 | - | **-209,780** |
| **Total net assets** | **-452,646** | **-47,259** | **-665** | **-500,570** |

IV – Statement of cash flows for the period closed on 31 December 2020



V – Statement of comparison of budgeted and actual amounts for the 2020 financial period

(in thousands of CHF)



For further information, see Note 26.

**Notes to the financial statements**

##### Note 1 Objectives of the Union

The International Telecommunication Union (ITU) is the [United Nations](http://www.unsystem.org/en) specialized agency for information and communication technologies (ICTs). As a global focal point bringing together governments and private sector, ITU assists the world in communicating through its three key Sectors: [Radiocommunication](https://www.itu.int/en/ITU-R/Pages/default.aspx), [Telecommunication Standardization](https://www.itu.int/en/ITU-T/Pages/default.aspx) and [Telecommunication Development](https://www.itu.int/en/ITU-D/Pages/default.aspx). ITU fully recognizes each State’s sovereign right to regulate its telecommunications.

ITU, which also organizes the ITU [TELECOM](http://www.itu.int/ITUTELECOM/index-en.html) events, was the entity with prime responsibility for organizing the [World Summit on the Information Society](http://www.itu.int/itu-wsis/implementation/).

With its headquarters at Place des Nations, 1211 Geneva 20, Switzerland, ITU has 193 [Member States](https://www.itu.int/online/mm/scripts/gensel8) and over 1200 [Sector Members](https://www.itu.int/online/mm/scripts/gensel11), [Associates](https://www.itu.int/online/mm/scripts/gensel11?_memb=A) and [Academia](https://www.itu.int/online/mm/scripts/gensel11?_memb=U). It has four regional offices, eight area offices, a United Nations liaison office in New York and a coordination unit at headquarters for Europe.

The purposes of the Union are:

– to maintain and extend international cooperation among all its Member States for the improvement and rational use of telecommunications of all kinds;

– to promote the development of technical facilities and their most efficient operation with a view to improving the efficiency of telecommunication services, increasing their usefulness and making them, so far as possible, generally available to the public;

– to promote the extension of the benefits of the new telecommunication technologies to all the world’s inhabitants;

– to promote the use of telecommunication services with the objective of facilitating peaceful relations;

– to harmonize the actions of Member States and promote fruitful and constructive cooperation and partnership between Member States and Sector Members in the attainment of those ends;

– to promote, at the international level, the adoption of a broader approach to the issues of telecommunications in the global information economy and society, by cooperating with other world and regional intergovernmental organizations and those non‑governmental organizations concerned with telecommunications.

To this end, the Union shall in particular:

– effect allocation of bands of the radio-frequency spectrum, the allotment of radio frequencies and the registration of radio-frequency assignments and, for space services, of any associated orbital position in the geostationary-satellite orbit or of any associated characteristics of satellites in other orbits, in order to avoid harmful interference between radio stations of different countries;

– coordinate efforts to eliminate harmful interference between radio stations of different countries and to improve the use made of the radio-frequency spectrum for radiocommunication services and of the geostationary-satellite and other satellite orbits;

– facilitate the worldwide standardization of telecommunications, with a satisfactory quality of service;

– foster international cooperation and solidarity in the delivery of technical assistance to the developing countries and the creation, development and improvement of telecommunication equipment and networks in developing countries by every means at its dis­posal, including through its participation in the relevant programs of the United Nations and the use of its own resources, as appropriate;

– coordinate efforts to harmonize the development of telecom­munication facilities, notably those using space techniques, with a view to full advantage being taken of their possibilities;

– foster collaboration among Member States and Sector Members with a view to the establishment of rates at levels as low as possible consistent with an efficient service and taking into account the necessity for maintaining independent financial administration of telecommunications on a sound basis;

– promote the adoption of measures for ensuring the safety of life through the cooperation of telecommunication services;

– undertake studies, make regulations, adopt resolutions, formulate recommendations and opinions, and collect and publish informa­tion concerning telecommunication matters;

– promote, with international financial and development organizations, the establishment of preferential and favorable lines of credit to be used for the development of social projects aimed, *inter alia*, at extending telecommunication services to the most isolated areas in countries;

– promote participation of concerned entities in the activities of the Union and cooperation with regional and other organizations for the fulfillment of the purposes of the Union.

The Plenipotentiary Conference is ITU’s supreme organ. Convened every four years, the conference:

• determines the Union’s general policies;

• adopts four-year strategic and financial plans;

• elects the senior management team of the organization, Member States of the [Council](https://www.itu.int/en/council/Pages/members.aspx) and members of the [Radio Regulations Board](http://www.itu.int/ITU-R/index.asp?category=conferences&link=rrb&lang=en).

The Plenipotentiary Conference is the key event at which ITU Member States decide on the future role of the organization, thereby determining the organization’s ability to influence and affect the development of ICTs worldwide.

Sector Members, regional telecommunication organizations and intergovernmental organizations, as well as the United Nations and its specialized agencies, likewise participate in the conference as observers.

##### Note 2 Main accounting principles

##### Foreign currencies

The Swiss franc (CHF) is ITU’s functional currency and the one used in the presentation of the financial statements.

Transactions in currencies other than the Swiss franc are converted into Swiss Francs at the United Nations operational rate of exchange (UNORE) at the date of the transaction. Monetary assets and commitments denominated in foreign currencies are converted into Swiss Francs at the UNORE rate of exchange in force at the date of closure of the financial period. Exchange-rate losses and gains, realized or unrealized, resulting from the settlement of such transactions and from conversion of the assets and commitments denominated in foreign currencies at the date of closure are recorded in the statement of financial performance. ITU applies the UNORE communicated by the United Nations, as follows:

|  |  |  |
| --- | --- | --- |
| CHF for | **Dec-20** | **Dec-19** |
|  |  |  |
| 1 Dollar US | 0.90600 | 0.99900 |
| 1 Euro | 1.08244 | 1.09901 |
| 1 BBD (Barbados) | 0.45300 | 0.49950 |
| 1 BRL (Brazil) | 0.16963 | 0.23434 |
| 1 CLP (Chile) | 0.00118 | 0.00123 |
| 1 ETB (Ethiopia) | 0.02389 | 0.03304 |
| 1 HNL (Honduras) | 0.03759 | 0.04055 |
| 1 IDR (Indonesia) | 0.00006 | 0.00007 |
| 1 EGP (Egypt) | 0.05806 | 0.06195 |
| 1 RUB (Russia) | 0.01192 | 0.01560 |
| 1 VND (Vietnam) | 0.00004 | 0.00004 |
| 1 XOF (Senegal) | 0.00165 | 0.00168 |
| 1 XAF (Cameroon) | 0.00165 | 0.00168 |
| 1THB (Thailand) | 0.02990 | 0.03305 |

**Financial instruments**

ITU’s financial instruments include: cash and short term deposits, investments, receivable from exchange and from non-exchange transactions, trade payable, bank overdrafts, loans and borrowings.

Cash and cash equivalents

Cash and cash equivalents are held at nominal value and comprise cash on hand, postal accounts, bank accounts and deposit accounts with the Swiss Confederation’s Federal Department of Finance.

##### Investments

Fixed-term deposits with a term of three to nine months that are highly liquid, convertible into a known cash amount and subject to a negligible risk of change in value are designated as financial assets at fair value through surplus or deficit at initial recognition. Investment revenue is recognized on a quarterly basis on the basis of actual return.

Investments are initially recognized when ITU becomes a party to the contractual provisions of the instrument. All purchase and sales of investments are recognized on the basis of their trade date. Investments are initially recognized at their fair value, taking into account any directly attributable transaction costs.

Financial assets are derecognized once ITU has transferred its rights to receive the cash flows from the financial assets and the associated risks.

Investments are presented in the balance sheet as current or non-current assets and liabilities according to whether their due date is less than or more than one year away.

The derecognition of financial instruments occurs when ITU’s contractual rights to the cash flows from the financial asset expire or have been transferred and all risks and rewards of ownerships have been substantially transferred.

Other financial liabilities and FIPOI loan

Other financial liabilities comprise borrowings, other financing, bank overdrafts, suppliers and trade payables. They are shown on the balance sheet as current or non-current liabilities according to whether they fall due in less than or more than one year.

Interest-bearing financial liabilities are subsequently valued at amortized cost using the effective interest rate method with the exception of liabilities for which the recognition of interest would be immaterial.

ITU borrowed capital from the Building Foundation for International Organizations (FIPOI) for the construction and renovation of its premises in Geneva. Those borrowings were originally subject to interest. However, the Federal Department of Foreign Affairs (DFAE) ceased charging interest as from 1996. ITU therefore has to reimburse only the principal.

The loan is measured at its amortized cost using a long-term interest rate of 3.25 per cent, which corresponds to the interest rate associated with the loans granted by FIPOI but not charged. The difference between the nominal value and amortized cost represents an in-kind contribution which, at 31 December 2020, amounted to an overall sum of CHF 13.2 million. ITU has opted not to present this amount under “Borrowings and financial debts” in the statement of financial position. ITU is, however, showing in the statement of financial position expenses and revenue by way of an in-kind contribution corresponding to the reduction in the discount from 1 January to 31 December of the past year.

Receivables and loans

ITU’s receivables and loans are non-derivative financial assets with fixed or determinable maturity dates that are not traded on an active market. They originate when ITU enters into a contractual arrangement with a third party and remain so until the cash transfers associated with those financial assets have been executed and the associated risks and benefits have likewise been transferred to ITU. Such assets come under current assets, except those having maturity dates beyond 12 months after the date of closure, which are categorized as non-current assets.

Receivables are divided into two distinct categories: receivables from exchange transactions, such as those resulting from the sale of publications; and non-exchange receivables, notably those relating to contributions made to ITU. Assessed contributions are incorporated in the financial plan once the level of Member State contributions has been set by the Plenipotentiary Conference for a four-year period. These contributions are recognized on an annual basis.

Voluntary contributions are initially recognized when there is a signed agreement between ITU and the donor.

Receivables and loans are recognized at fair value at the time of their initial recognition. The fair value is adjusted when reviewing doubtful debts at the time of the annual closure of the accounts.

##### Determination of the provision for impairment of receivables

An assessment of the need to establish or adjust a provision for asset impairment is carried out according to the nature of the receivable, on the basis of the following categories of receivable:

1 – Member States

In accordance with Article 28, No. 169, of the ITU Constitution, a Member State which is in arrears in its payments to the Union shall lose its right to vote as defined in Nos 27 and 28 of the Constitution for so long as the amount of its arrears equals or exceeds the amount of the contribution due for the two preceding years.

On the basis of this rule, a provision is established for Member States having arrears of over two years. Assessment and follow-up are carried out on the basis of the financial notification, which is produced quarterly. The provision is calculated on the basis of the notification for the final quarter of the year, which is produced at the beginning of the following year.

The amount of the provision is equal to 100 per cent of the debt that has remained unpaid for over two years, plus the interest on arrears charged since payment first became overdue.

2 – Sector Members, Associates and Academia

Where Sector Members and Associates are concerned, Resolution 152 (Rev. Busan, 2014) of the Plenipotentiary Conference provides, in *resolves* 6, that in the event of late payment, suspension of participation in ITU shall occur six months (180 days) after the date on which payment of the annual contribution was due, and in the absence of a negotiated and agreed repayment schedule, exclusion of a Sector Member or an Associate on grounds of non-payment shall occur three months (90 days) after the date of receipt of the notification of suspension.

All unpaid debts, including interest on arrears, dating back beyond two years are 100 per cent provisioned.

3 – Satellite Network Filings (SNF) revenue

The Union establishes a provision for SNF invoices, arrears being subject to interest at 6 per cent as from the due date in the case of late payment. Since such invoices are payable within six months, a 100 per cent provision will be established at 31 December of the year following their presentation.

4 – Publications

Publications are for the most part paid for in advance, except when the client is a Member State administration. This provision is established following exactly the same principle as for Member State and Sector Member contributions.

5 – Other debtors (e.g., voluntary contributions)

The amount of the provision is equal to 100 per cent of the debts remaining unpaid at 31 December of the year following presentation of the invoices.

6 – ITU TELECOM

Receivables for ITU TELECOM events are 100 per cent provisioned at the time of closing of the exhibition accounts, when there is an uncertainty about the payment.

##### Use and release of a provision for asset impairment

Where a debt is deemed to be uncollectable (for example, certificate of lack of assets or debt write-off approved by the Council), the debt is written off. The related provision is then used to offset the balance in the accounts. If, in a subsequent period, the amount of the impairment decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (for example, signature of a debt repayment schedule), the previously recognized impairment loss is reversed, wholly or in part, by a release of provision.

In the case of Member States or Sector Members, the provision is reduced by the annual installments settled under a debt repayment schedule, following the payment of each installment. The interest on arrears is written off once the capital of the debt has been repaid, subject to approval by the Council. This amount includes receivables relating to publications.

If, in a subsequent period, new receivables meet the impairment criteria set out in the above paragraph, the establishment of a provision must be recognized at 31 December of that year.

##### Inventories

Inventories comprise publications and souvenirs bearing the ITU logo, consumable stores, maintenance materials and stocks of spare parts not allocated to the maintenance of specific assets.

For consumables, inventories values are calculated using the weighted average cost method. The same method is used for all inventories whose nature and usage are similar within the organization.

Publications are valued according to a standard cost based on a scale that is updated annually. The standard cost does not include direct staff costs; however, the cost of paper is increased by 253 per cent, representing the direct costs associated with reprography. The net realizable value represents the estimated sale price less the estimated costs of producing, marketing, selling and distributing the publications.

Where stocks of publications are distributed at zero or a symbolic cost, they are assigned the value that the organization would have to pay to obtain the economic benefits or service potential to achieve the organization’s objectives. If the economic benefits or service potential cannot be acquired on the market, the stocks are valued at their replacement value.

An annual physical stocktaking is made of all inventories. At each closure date, if there is any indication that inventories may have fallen in value, they are depreciated. Publications are valued in two stages: first, on the basis of any damage identified during the annual physical stocktaking, then with regard to the obsolescence of publications. The organization also determines whether an impairment loss previously recognized has diminished or is extinguished. If so, the net realizable value or replacement cost of the inventories is estimated and updated.

Publications and articles no longer to be offered for sale or intended for free-of-charge distribution will have their net carrying amount reduced to zero.

##### Property and equipment

Property and equipment held by ITU are valued at historical cost less accumulated depreciation and accumulated impairment losses. Buildings were recognized in the opening statement of financial position under IPSAS on 1 January 2010 at their intrinsic value, on the basis of the study conducted by an external consultancy. Recognition of the buildings value was carried out using the component-based approach. Land is not taken into account when calculating the intrinsic value of the buildings. The land rights (right of superficies) concerning the land areas made available by the State of Geneva is without cost to the Union.

In-kind gifts are measured at fair value estimated at the date of receipt of the movable assets. Recognition of revenue associated with in-kind gifts intended for the creation or purchase of a specific asset is spread over a period equal to the depreciation time of the concerned asset as from the date of its bringing into use.

Goods with a value equal to or higher than CHF 5’000 are capitalized at the time of receipt and subsequently depreciated on a straight-line basis.

Goods with a cost lower than CHF 5’000 (low-value goods) are capitalized during the month of acquisition and fully recognized as expenses in the statement of financial performance at the monthly closure following acquisition.

Property and equipment acquired in connection with projects conducted under Extra-budgetary activities (in particular projects of the United Nations Development Programme, nationally-executed projects and voluntary contributions) are fully recognized as expenses in the statement of financial performance at the monthly closure following acquisition.

Subsequent costs related to fixed assets are capitalized and depreciated when they bring about an increase in service potential associated with use of the fixed asset and do not concern maintenance or repair costs for the concerned fixed asset, these being recognized in the statement of financial performance.

Where a fixed asset comprises several significant components having different useful lives, each component is recognized separately. Depreciation is calculated on a straight-line basis according to the estimated useful life of each item, with a final residual period, if applicable. The residual values and useful lives of assets, as well as the depreciation methods, are reviewed, and adjusted if necessary, at each annual closure.

As of 1 January 2020, the new useful life has been applied for building related assets in accordance with UN practices in response to the External Auditor’s recommendation 02/2015. The adjustments have been made to net book values.

The table below illustrates effective useful life for assets before and after the 2020 financial period.

|  |  |  |
| --- | --- | --- |
| Categories and subcategories of assets | Old Estimated useful life (in years)  At 31.12.2019 | New Estimated useful life (in years)  At 01.01.2020 |
| Buildings |  |  |
| Structure | 100 | 60 |
| Envelope (flat roof, insulation, sealing…) | 60 | 40 |
| Envelope (metal façades, aluminum window-frames…) | 50 | 40 |
| Interior finishing (raised flooring, partitions…) | 50 | 25 |
| Interior finishing (floor, wall and ceiling coverings…) | 40 | 25 |
| Special equipment | 40 | 25 |
| Technical installations (electricity) | 50 | 50 |
| Technical installations (plumbing) | 40 | 40 |
| Technical installations (heating, ventilation) | 30 | 30 |
| Transport facilities | 40 | 40 |
| Other Building Assets |  | 10 |
|  |  |  |
| Machinery and equipment | 5 | 5 |
| Furniture and fixtures | 5 | 5 |
| Vehicles | 5 | 5 |
| Computer hardware | 3 | 3 |
|  |  |  |
| Licenses and software packages | 3 | 3 |

At each annual closure date, ITU assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated and an impairment loss is recorded in the statement of financial performance when the carrying amount exceeds the recoverable amount.

The recoverable amount is the higher of the fair value less the costs of disposal, and the value in use. The recoverable amount of an asset is calculated individually. The value in use of fixed assets used for non-commercial purposes corresponds to the present value of the service potential expected from their use.

An impairment loss recognized in prior periods is reversed if there has been change in the estimates of the recoverable amount since the last estimate. The net carrying amount of the asset is increased but shall not exceed the net carrying amount that would have applied to the asset had no impairment loss been recognized in the first place. The reverse is recorded in the statement of financial performance.

##### Fixed assets acquired under lease

Within the framework of its activities, ITU may use leased assets. Leases were analysed with respect to the situations described and indicators provided in IPSAS 13 in order to determine whether they were operating leases or finance leases. As at 31 December 2019, leases concluded by ITU correspond to the definition of operating leases and are recognized as such. Payments made in respect of such leases are recognized as expenses in the statement of financial performance on a straight-line basis over the term of the lease.

##### Intangible assets

Intangible assets, IT licenses and software, with a value higher than CHF 50’000, are recognized on the basis of their historical cost less any accumulated depreciation and impairment losses, except in the opening balance sheet where the net value has been used. Licenses, software packages, patents and rights are amortized on a straight-line basis over a period of three years.

All costs equal to or lower than CHF 50’000 are capitalized at the time of receipt of the goods and fully recognized as expenses in the statement of financial performance at the monthly closure following acquisition.

Licenses, software packages and patents developed in-house are capitalized if it is probable that ITU will benefit from future economic benefits or service potential attributed to them. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Union are recognized as intangible assets when the following criteria are met at the closing date:

* it is technically feasible to complete the software product so that it will be available for use;
* management intends to complete the software product and use or sell it;
* there is an ability to use or sell the software product;
* it can be demonstrated how the software product will generate probable future economic benefits;
* adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Computer software development costs recognized as assets are amortized over their estimated useful lives, which does not exceed three years.

Costs associated with maintaining computer software programs are recognized as an expense as incurred.

##### Provisions

Provisions cover obligations for which the outcome, due date or payable amount is uncertain. They are recognized when ITU has a legal or constructive obligation resulting from a past event, when it is probable that an outflow of resources will be required in order to settle the obligation and when the amount of the obligation can be reliably estimated.

Where an outflow of resources is not probable or cannot be reliably estimated, the obligation is not recorded in the statement of financial position but disclosed in the Notes.

##### Contingent assets and liabilities

Contingent assets and liabilities are possible rights and obligations arising from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within ITU’s control. Such items are disclosed in the Notes.

##### Employee benefits

The following employee benefits are recognized:

– Short term benefits due to be settled within twelve months after the end of the accounting period in which employees render the related service;

– Long-term benefits resulting from the possible deferral of benefits acquired during the prior period or periods;

– Long-term post-employment benefits.

Long-term benefits cover:

– Obligations associated with the possibility of accruing unused leave days and having them taken into account when establishing the date of retirement;

– Obligations associated with repatriation;

– Obligations associated with the pension plan of the United Nations Joint Staff Pension Fund;

– Obligations concerning the After-Service Health Insurance (ASHI), as specified under the United Nations ASHI programme;

– Obligations relating to the former pension plan in order to define ITU’s obligations at the date of closure of the period.

These last two benefits come under the heading of defined-benefit plans and, as is also the case for repatriation obligations, are the subjects of actuarial studies.

ITU is a member organization participating in the United Nations Joint Staff Pension Fund (UNJSPF), which was established by the United Nations General Assembly to provide retirement, death, disability and related benefits to employees. The Fund is a funded, multi-employer defined benefit plan. As specified by Article 3(b) of the Regulations of the Fund, membership in the Fund shall be open to the specialized agencies and to any other international, intergovernmental organization which participates in the common system of salaries, allowances and other conditions of service of the United Nations and the specialized agencies.

The plan exposes participating organizations to actuarial risks associated with the current and former employees of other organizations participating in the Fund, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and costs to individual organizations participating in the plan. ITU and the UNJSPF, in line with the other participating organizations in the Fund, are not in a position to identify the Agency’s proportionate share of the defined benefit obligation, the plan assets and the costs associated with the plan with sufficient reliability for accounting purposes. Hence, the Agency has treated this plan as if it were a defined contribution plan in line with the requirements of IPSAS 39 Employee Benefits. The Agency’s contributions to the plan during the financial period are recognized as expenses in the Statement of Financial Performance.

As of 1 January 2020, the ITU joined the United Nations Staff Mutual Insurance Society (UNSMIS). This plan brings together several organizations and specialized agencies of the United Nations based in Geneva and includes the staff of the UN office, UNHCR and WMO. ASHI obligations are the subject of an actuarial study pursuant to IPSAS 39 in order to identify and recognize the amount of ITU’s future liability in relation to the corresponding benefits. An independent actuarial valuation was contracted by ITU to evaluate the ASHI obligation as of end of December. Recognition of the actuarial gains and losses of this plan follows the Other Comprehensive Income (OCI) method, which calls for recognition of actuarial gains and losses during the period as net assets in the statement of financial position.

The assumptions concerning ITU are described in the Notes relating to employee benefits.

##### Recognition of funds

***Allocated third-party funds***

This refers to funding provided by third parties to support the Union in implementing projects in and for developing countries. Such contributions are tied to contractual conditions. Funding of this kind is recognized as revenue only where the donors have made a commitment in writing and as the expenses are incurred. Funded projects begin only once the funds have been paid to ITU. At the closure of the financial period, the unused balance of such funding is recognized in the balance of allocated funds in the statement of financial position. In some specific cases, the funds are paid to ITU as a reimbursement of expenses already incurred.

Such allocated third-party funds are distributed as follows:

**– United Nations Development Programme**

ITU has entered into an agreement with the United Nations Development Programme (UNDP) and may be the sole executing agency, or joint executing agency with UNDP, for different projects. For projects that are either partially or entirely executed by ITU, the Union receives a budgetary allocation from UNDP. In general, there are two categories of UNDP projects, namely: projects executed by ITU and projects executed by governments.

At the end of each year, on the basis of the project delivery report (PDR), UNDP reimburses ITU for all expenses incurred, within the allocation. For the support that ITU provides to the projects, ITU receives an allocation calculated on a pro rata basis of the expenses recorded in the PDRs.

**– Trust funds**

Trust funds are used to execute projects financed by earmarked contributions, by the ICT Development Fund (ICTDF) or by governments. In all cases the funds have to be credited to the projects before the expenses are committed. Trust funds are voluntary contributions with specific and restrictive utilization. These contributions generate support costs during the execution and implementation of the projects.

**– Voluntary contributions**

Voluntary contributions are received from donors to complement specific regular budget activities such as for example seminars, working groups, study groups, training and fellowships. Voluntary contributions can finance long-term activities. Voluntary contributions do not generate any support costs.

The Union keeps accounts for voluntary contributions in the currency of the contribution and manages the projects based on the budget allocated in the currency of the funding, unless otherwise specified.

***Third-party funds in the process of allocation***

These are funds received from third parties and not yet fully allocated, which therefore cannot yet be spent.

##### Reserve Account

In accordance with No. 485 of the Convention and Article 27 of the Financial Regulations, the Reserve Account is maintained mainly from unused appropriations. Variations in the Reserve Account are detailed in the statement of changes in the net assets of the Union. It is made up of:

a) the positive or negative net balance from the regular budget implementation for each financial year;

b) transfers from other reserves/funds as decided by the Council;

c) any amounts to be credited to the Reserve Account as prescribed by the accounting standards common to the organizations of the United Nations system.

The Reserve Account also includes funds derived from those activities in respect of which ITU applies the cost-recovery principle pursuant to Council Resolution 1113 (Document C97/133). The products and services to which ITU applies cost recovery are currently:

– Registration of universal international freephone numbers (UIFN);

– Memorandum of Understanding on global mobile personal communication systems (GMPCS MoUs);

– Processing of satellite network filings;

– Registration of universal international premium-rate numbers (UIPRN) and universal international shared-cost numbers (UISCN);

– TELECOM;

– Publication sales;

– Project support revenue.

Notwithstanding the provisions of Article 13, § 4 b) of the Financial Regulations, bearing in mind the need to maintain the Reserve Account at a minimum level determined by the Plenipotentiary Conference, withdrawals may be made from the Reserve Account by special decision of the Council, *inter alia*, for:

a) reducing the amount of the contributory unit;

b) balancing the budget of the Union;

c) transfers to other reserves/funds; or

d) any amounts to be debited to the Reserve Account as prescribed by the accounting standards common to the organizations of the United Nations system.

##### Other funds

Other funds include the ITU Staff Superannuation and Benevolent Funds and well as the Pension and Intervention funds and the ASHI fund.

The ITU Staff Superannuation and Benevolent Funds comprise two funds:

– Provident Fund;

– Assistance Fund.

They are the set of funds that guarantee the pensions of employees who were in service prior to 1 January 1960, the date on which ITU became affiliated to the United Nations Joint Staff Pension Fund. In 2020, the Reserve and Complement Fund paid out 16 retirement pensions and 16 survivor’s pensions; and the Assistance Fund served to assist staff members and pensioners in difficult financial situations. The most recent calculation of the obligations to be provisioned for beneficiaries of the ITU Staff Superannuation and Benevolent Funds was made on 31 December 2011.

Pursuant to Resolution 7 (Geneva, 1959) of the Plenipotentiary Conference, the staff of ITU is affiliated, as from 1 January 1960, to the United Nations Joint Staff Pension Fund. Under Article 86 of the Regulations of the ITU Staff Superannuation and Benevolent Funds, those Funds are managed by the Union. The assets of the Funds must be invested in trustee securities. The accounts of these Funds are verified by the External Auditor as part of the periodic audits of the accounts of the Union.

Other funds also include since 2013, a fund dedicated to the long-term funding of the ASHI unfunded liability as well as the new health insurance fund, which constitutes the guaranty fund for the ITU new health Insurance scheme since 2014.

**New building fund**

Council 2016, through [Decision 588](https://www.itu.int/md/S16-CL-C-0124/en), decided to replace the Varembé building by a new construction (herein called “Varembé-2”) that would also include the offices and facilities of the Tower building, and complement the Montbrillant building which would be retained and refurbished.

An interest-free loan of up to CHF 150 million to finance this project has been granted by the Swiss Confederation. Following a special session of the Council 2019, Decision 619 fixed the budget of the new building to CHF 170 139 000. CHF 150 million coming from the loan granted by the host country, CHF 20.14 million coming from sponsors, donations and from savings allocated further to the 2018 surplus and requested an additional contingency fund of CHF 12.6 million to be used, if necessary, for unforeseen cost overruns. The risk register fund was created for that purpose. At 31 December 2020, the risk register fund amounted to CHF 3.43 million.

The Secretary-General applied to Switzerland for the first tranche of the loan for the first phase of the project: the architectural competition, architectural studies and related expenses for the period up to 30 June 2021. The loan request amounted to CHF 12 million, with the first annual repayment being made only after the building is successfully received (at the earliest 2026). The loan was granted by the Swiss Parliament in December 2016 and ITU has signed a contract with FIPOI for the administration of this loan. The funds have been available since the beginning of 2017.

The second tranche of the loan amounting to CHF 138 million was validated at the beginning of 2021.

To follow up on the implementation of this project and accounting policies, two funds have been created for the identification of the sources of financing this new building project. These funds are disclosed under the segment reporting and also under Annex B2.

##### Extrabudgetary activities related funds

– **ICT Development Fund**

In line with ITU’s mission of fostering the expansion of modern communication services worldwide, the Council assigns a share of the surplus revenue derived from ITU TELECOM events to the ICT Development Fund (ICTDF), which serves to finance various national and regional development projects. In the case of project financing through the ICTDF, only the expenses are recognized in the statement of financial performance. At the closure of each financial period, the allocated own funds appearing on the balance sheet are reduced by the total amount of the expenses incurred during the same period. This same principle applies for projects financed under the development action plan, the funds available for these programs having already been recognized as revenue in prior financial periods.

The ICTDF also registers contributions paid by members or third parties for the financing of ICT development projects.

– **ITU TELECOM Exhibition Working Capital Fund**

ITU Telecom events provide a global platform for governments, corporates and Small and Medium Enterprises (SMEs) in order to accelerate ICT innovation for social and economic development. The events comprise an Exhibition showcasing innovative service, applications and solutions, and investments and partnership opportunities from around the world; and a world-class Leadership Summit and Forum offering debates at the highest level on the latest issues in the ICT industry while exploring in-depth developments in technology, policy and regulatory issues, strategy and business models in the digital economy. ITU Telecom events also bring together participants at the highest level including Heads of State, Ministers, Regulators, C-level executives and other influential leaders.

Following the closure of accounts of each ITU Telecom event, any surplus revenue or excess expense is transferred to the Exhibition Working Capital Fund, the balance of which is entered in the financial statements of the Union. Subject to Council’s approval, funds may be transferred from the Exhibition Working Capital Fund to the ICT Development Fund.

– **Reserves related to Extra-budgetary projects**

The Union has set up a reserve to receive any remaining balances from closed projects. This reserve will be used to finance new projects or regional initiatives, as well as to cover certain projects in deficit.

##### Recognition of revenue

The financial statements are drawn up on the basis of accrual accounting. Revenue is recognized at the beginning of each period for membership contributions (regular budget), or when contributions are confirmed in writing (voluntary contributions).

Revenue comprises assessed contributions, voluntary contributions and other recovered revenues.

Assessed contributions: This refers mainly to contributions from Member States, Sector Members and Associates. The Plenipotentiary Conference establishes the upper limit of the contributory unit to serve as the basis for calculating the Union’s revenue for the biennial budgets for the next four years. Member States and Sector Members are free to choose their class of contribution for defraying Union expenses in accordance with the relevant provisions of the ITU Constitution, and pay, in respect of the year of their accession or admission, a contribution calculated as from the first day of the month of accession or admission. This revenue is used for the purpose of implementing the Union’s activities as defined by the Plenipotentiary Conference.

Other recovered revenues comprise the products and services for which ITU applies the principle of cost recovery, namely:

– registration of universal international freephone numbers (UIFN);

– Memorandum of Understanding on global mobile personal communication systems   
(GMPCS-MoU);

– processing of satellite network filings;

– publication sales;

– project support revenue.

ITU receives contributions upfront for providing services for the registration of universal international freephone numbers (UIFN) and the registration of universal international premium-rate numbers (UIPRN) and universal international shared-cost numbers (UISCN).

Parties requesting these services must deposit upfront a sum of CHF 300 per number in the Union’s accounts. Non ITU-T and non ITU-R members are charged an annual maintenance fee of CHF 100 per number to be paid into the Union’s accounts. As the numbers are used, ITU invoices its services. It is at the stage when the numbers are used that the Union recognizes revenue in its accounts. The corresponding invoices are settled from the account containing the customers’ deposits. Every year an invoice for the maintenance fee of all the active numbers is issued and sent to all non ITU-T and non ITU-R members.

Voluntary contributions are recognized when there is an agreement signed by the donors. Contributions received which relate to future financial periods are recognized under deferred revenues. The balance of unused voluntary contributions at the date of closure is recognized under third-party funds. Other revenue pertaining to future financial periods is recognized under deferred revenues.

Revenue from sales of publications is recognized at the time when the publications are dispatched, and revenue from sales of services involving access to ITU statistics and data in electronic form is recognized at the time when the data become accessible.

##### Segment reporting

Segment reporting is based on ITU’s main activities and sources of financing and is done in a manner consistent with the structure of the financial information provided to the Chief of the Financial Resources Management Department. The segments reflect the ITU’s work programme for 2019-2020:

– General Secretariat;

– Radiocommunication Sector (ITU-R): Management of international resources, namely the radio-frequency spectrum and satellite orbits;

– Telecommunication Standardization Sector (ITU-T): Shaping harmonized working methods and establishment of flexible collaboration mechanisms to meet market needs;

– Telecommunication Development Sector (ITU-D): Provision, under affordable conditions, of equitable and sustainable access to ICTs;

* New Building fund which represents the project on the construction of the new headquarters premises;
* Old pension fund which regroups the provident fund and the assistance fund;

– Projects: UNDP funds, trust funds, ICT Development Fund and voluntary contributions;

– ITU TELECOM.

On account of the nature of ITU’s activities, its tangible and intangible fixed assets are used jointly by all its Sectors and are not managed by the individual Sectors. The Union’s assets and liabilities, other than those representing its net assets, fall under the ownership or responsibility of the organization as a whole and do not constitute assets and liabilities of its component parts. Extra budgetary funds do not have any fixed assets. Assets and liabilities represent a wide range of activities that are common to the constituent parts of the Union. Any allocation of assets and liabilities to the different Sectors would inevitably be arbitrary and incoherent. It would thus run counter to the principles of IPSAS 18. It is for this reason that individual assets and liabilities will not be segmented.

##### Budget comparison

The budget of the Union for 2020-2021 is based on Decision 5 (Rev. Dubai, 2018) entitled “Income and expenditure for the Union for the period 2020-2023” and the strategic plan for the Union for 2020-2023 set out in Resolution 71 (Rev. Dubai, 2018) of the Plenipotentiary Conference.

Furthermore, the programme budget is coordinated with the operational plans of the Sectors and the General Secretariat.

Pursuant to IPSAS 24, the annual financial statements must include a comparison between budgeted amounts and actual amounts. The draft budget of the Union for 2020-2021 is composed of two annual budgets. A budget estimate has been made for each of the financial years.

The final budget for 2020 was approved by the Council at its 2019 session by Resolution 1396. Statement V contains a comparison of the final budget and actual amounts. Since the budget and the financial statements were not drawn up on the same basis, Statement V contains a reconciliation of the amounts in the budget and the amounts in Statement II (Statement of financial performance). The perimeter differences reflect the incorporation of extra budgetary funds in the Union’s financial statements.

##### Note 3 Management of net assets

The Union’s net assets consist of own funds allocated to the organization or set aside for projects as well as unallocated own funds set aside for projects.

At 31 December 2020, the assets of the Reserve Account stood at CHF 25.8 million. The assets of the Reserve Account represent 15.5 per cent of the 2020 budget, which is significantly above the six per cent threshold stipulated in Decision 5 (Rev. Dubai, 2018) of the Plenipotentiary Conference.

##### Note 4 Financial risk management

In the course of its work, ITU is exposed to a number of financial risks including credit risk, market risk (Foreign exchange currency risk), interest rate risk and liquidity risk. This Note presents information on ITU exposure to each of the above risks and outlines the principles adopted by ITU to manage financial risks and preserve its capital. The management of financial risks is centralized under the responsibility of the Secretary-General.

**Fair value**

Set out below is a comparison by class of the carrying amounts and fair value of ITU’s financial instruments.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **In thousands of CHF** | **Carrying amount** | | **Fair value** | |
| Financial assets | **2020** | **2019** | **2020** | **2019** |
| Cash and cash equivalent | 99’406 | 178’852 | 99’406 | 178’852 |
| Financial instruments at fair value through surplus/ deficit | 95’516 | 33’329 | 95’516 | 33’329 |
| Receivable from exchange transactions – current | 8’481 | 6’471 | 8’481 | 6’471 |
| Receivable from non-exchange transaction- current | 89’306 | 88’315 | 89’306 | 88’315 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **In thousands of CHF** | **Carrying amount** | | **Fair value** | |
| Financial liabilities | **2020** | **2019** | **2020** | **2019** |
| Borrowings | 47’110 | 44’949 | 47’110 | 44’949 |
| Payables from exchange transactions | 2’768 | 4’772 | 2’768 | 4’772 |

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation.

The following methods and assumptions were used to estimate the fair value:

- Cash and cash equivalents, short-term deposits, receivables from exchange transactions, other receivables, payables from exchange transactions, and other payables approximate their carrying amounts largely due to the short-term maturities of these investments;

- Short- and long-term receivables are valued as disclosed in Note 2;

- Borrowings are valued as disclosed in Note 2.

**Fair value hierarchy**

ITU uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices in active markets for identical assets and liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;

Level 3: Techniques, which use inputs that have a significant effect on the recorded fair value, that are not based on observable market data.

At 31 December 2020, all investments are bank deposits and short term bank investments and valued at their fair value in the Statement of Financial Situation.

a) Credit risk

Credit risk is the risk of financial loss to ITU if customers or counterparties to financial instruments fail to meet their contractual obligations, and arises principally from investments, receivables and cash and cash equivalents. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at 31 December was:

|  |  |  |
| --- | --- | --- |
| **In thousands of CHF** | **31.12.2020** | **31.12.2019** |
| Investments | 95’516 | 33’329 |
| Receivables | 107’226 | 103’000 |
| Cash and cash equivalents | 99’406 | 178’852 |
| Maximum exposure to credit risk | 302’148 | 315’181 |

b) Credit quality

Credit quality is the assessed risk of default attached to counterparties to which ITU extend credit as well as those parties with whom ITU invests.

Measures such as the sending of quarterly statements and suspension of participation in the work of ITU have been introduced to ensure that Member States, Sector Members and Associates settle their arrears. Furthermore, the loss of voting right has been introduced for Member States to encourage a timely settling of their arrears.

ITU mitigates credit risks on cash and cash equivalents and on investments by spreading them among several banking institutions with high-grade credit ratings. According to Article 16 of the Financial Regulations and Financial Rules, the Secretary-General chooses the banks or other institutions in which the Union’s funds are to be deposited. In this respect, the Secretary-General shall ensure that funds are invested in such a way as to place primary emphasis on minimizing the risk to principal funds while ensuring the liquidity necessary to meet the Union’s cash-flow requirements. ITU does not make deposits with banks with a credit rating below A3.

In addition to these criteria, investments shall be selected on the basis of achieving the highest reasonable rate of return and shall accord with the principles of the United Nations.

The Secretary-General designates the banks in which the funds of the Union shall be kept, shall establish all bank accounts required for the Union and shall designate those officials to whom signing authority is delegated for the operation of those accounts. The Secretary-General also authorizes all bank account closures.

c) Interest rate risk

ITU is exposed to interest rate risks through its short-term investments. Further to the introduction of the negative interest in 2015 on cash in hand by the financial institutions, ITU had carefully reviewed its policy in order to avoid impacting the cash and cash equivalent. In 2020, the situation became more difficult and despite negotiations with ITU’s banking partners, all ITU's CHF bank accounts are now bearing negative interests. However, ITU was able to keep an exempted threshold on the current account which allows to manage the daily cash activities without negative interests.

In order to offset this negative interest rate, it was decided to convert the idle cash in USD and invest it in short term deposits on the financial markets which generated positive interests. To avoid any exposure to foreign exchange risk, only surplus cash has been invested.

d) Liquidity risk

Liquidity risk is the risk of ITU not being able to meet its obligations as they fall due. ITU approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due. ITU ensures that it has sufficient cash on demand to meet expected operating expenses through the use of cash flow forecasts.

Liquidity risk may be considered negligible as, in accordance with Article 17 of the Financial Regulations, advances of funds from the Government of the Swiss Confederation will be granted under conditions to be stipulated to meet temporary cash requirements of the Union.

The primary objective of managing ITU’s capital is to ensure that there is sufficient cash available to support ITU’s funding requirements, including capital expenditure, to ensure that ITU remains financially sound.

e) Currency risk

ITU receives Member States and regular budget contributions in CHF and Extra-budgetary contributions in other currencies than the CHF. ITU does not have recourse to fixed-term exchange contracts, futures, swaps or currency options to hedge realized or unrealized foreign exchanges gains or losses. When possible, natural hedging is applied by assigning the necessary currencies directly to the appropriate bank accounts.

It is to be noted that the new Health Insurance scheme is managed in Swiss Francs, which is significantly reducing exposure to exchange rates fluctuations. The Union is still exposed to foreign exchange gains or losses arising from the payment of contributions to the UNJSPF in USD. However, since the Professional staff contributions are defined in USD and the General Staff contributions are defined in CHF and the number of staff in these two categories is equally distributed, the exchange rates fluctuations tend to counterbalance.

Extra-budgetary contributions are managed in the currency of the contribution and converted in CHF for presentation purposes.

On 1 January 2020, ITU joined the United Nations Staff Mutual Insurance Society (UNSMIS). Although the monthly contributions are paid in Swiss francs which prevents ITU from any currency risk, ITU has to contribute to the guarantee fund and also to the administrative costs (see Note 17). This participation, split over a first payment in 2020 and 13 instalments up to the year 2032, as well as the administrative costs are defined by contract in US dollars and therefore, the Union is exposed to foreign exchange gain and losses in relation to the yearly payment in US dollars. It should be noted that some contributions from members of the Union are received in US dollars, which enables to mitigate the exchange rate risk, particularly for expenses in US dollars.

f) Market risk

Market risk is the risk of changes in market prices, such as foreign-exchange rates and interest rates, affecting ITU’s income or the value of its financial instruments holdings. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on the risk.

The maturity profiles on financial instruments as at 31 December 2020 are as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **In thousands of CHF** | **Weighted average interest rate** | **1 year or less** | **<10 years** | **>10 years** | **Total** |
| **Financial assets** |  |  |  |  |  |
| Investments |  | 95’516 | 0 | 0 | 95’516 |
| Cash and cash equivalent |  | 99’406 | 0 | 0 | 99’406 |
| **Total financial assets** |  | 194’922 | 0 | 0 | 194’922 |
| **Financial liabilities** |  |  |  |  |  |
| Borrowings | 0% | 1’391 | 13’910 | 31’809 | 47’110 |
| **Total liabilities** |  | 1’391 | 13’910 | 31’809 | 47’110 |

##### Note 5 Judgment and accounting estimates

Preparation of the financial statements under IPSAS calls for the use of estimates and/or assumptions having a bearing, on the one hand, on the amounts of the assets and liabilities disclosed and the disclosure of contingent assets and obligations at the date of the balance sheet and, on the other hand, on the amount of the revenues and expenses for the accounting period. Although the estimates are based on past experience and on various other factors deemed reasonable in the prevailing circumstances, the results actually obtained may differ from those foreseen when the estimates were made.

Areas entailing a high degree of judgment and complexity or in which assumptions and estimates have a negative impact on the establishment of the financial statements are:

• post-employment benefits, particularly where the ASHI plan is concerned;

• useful lives of fixed assets and their possible impairment;

• provisions for receivables;

• probability of sale in stocks of publications;

• deferred revenue from satellite network filings.

##### Note 6 Cash and cash equivalents

|  |  |  |
| --- | --- | --- |
| In thousands of CHF | **31.12.2020** | **31.12.2019** |
|  |  |  |
| Cash in CHF | 16 | 14 |
| Cash in foreign currency | 85 | 107 |
| Postal accounts in CHF | 842 | 842 |
| Bank current accounts in CHF | 32,760 | 27,607 |
| Bank current accounts in foreign currency | 9,731 | 23,211 |
| Sight accounts in CHF | 55,972 | 127,070 |
|  |  |  |
| **Cash and cash equivalents** | **99,406** | **178,852** |

Cash deposits are held in bank and postal accounts and remunerated at the market rates. The fair value of the cash deposits is equivalent to the carrying amount.

At 31 December 2020, ITU has no credit line. The available cash is subject to the following restrictions:

– Sight accounts in favor of beneficiaries of the ITU pension funds which have been operating as closed funds since the organization’s affiliation to UNJSPF and the Staff Health Insurance Fund. Given the policy of negative interest on the financial market, this amount cannot be invested in short-term deposits.

##### Note 7 Investments

Fixed-term investments are remunerated at market rates and classified as financial instruments at fair value through surplus/deficit. The fair value of the cash deposits is equivalent to the carrying amount.

|  |  |  |
| --- | --- | --- |
| In thousands of CHF | **31.12.2020** | **31.12.2019** |
|  |  |  |
| Fixed-term investments | 95,516 | 33,329 |
|  |  |  |
| **Investments** | **95,516** | **33,329** |

A breakdown of fixed-term investments by date of maturity (period remaining) and by currency is shown below:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **In thousands for each currency** |  | **31.12.2020** | | | **31.12.2019** | | |
|  |  | CHF | USD | EUR | CHF | USD | EUR |
| Maturity |  |  |  |  |  |  |  |
| 0 - 3 months |  | 10,000 | 28,614 | - | 10,000 | 19,012 | - |
| 4 - 6 months |  |  | 65,400 |  |  | 4,000 |  |
| 7 - 9 months |  |  |  |  |  |  |  |
| over 9 months |  |  |  |  |  |  |  |
| **Investments** |  | **10,000** | **94,0142** | **-** | **10,000** | **23,012** |  |

A deposit in Swiss Francs has been made possible with the Swiss National Bank who grants to the international organizations a threshold of CHF 10 million without negative interests.

##### Note 8 Receivables

Receivables represent yet uncollected revenue that Member States, Sector Members and Associates have committed to pay to ITU in respect of annual contributions, purchase of publications, satellite network filings or other invoices. Amounts due on contributions bear interest from the beginning of the fourth month of each financial year of the Union at three per cent per annum during the following three months, and at six per cent per annum as from the beginning of the seventh month.

Non-current, non-exchange receivables represent receivables from the debt repayment schedules applicable to members having undertaken to repay such debts under an agreement spanning several financial periods.

Other receivables represent uncollected revenue for services associated with TELECOM and voluntary contributions.

It is worth emphasizing that, since the implementation of IPSAS, a provision of 100 per cent has been recognized for all arrears, special arrears accounts and cancelled special arrears accounts.

Following the payment of receivables amounting to CHF 1.7 million for which a provision had been constituted in past years, the provision for doubtful debts has been reduced accordingly. At year end, an adjustment was recorded amounting to CHF 2.8 million for the regular budget

The main indicators show the Union’s immediate financial situation to be healthy, despite a level of debtors with 12 months or more overdue payments (arrears, special arrears accounts and cancelled special arrears accounts) totaling CHF 40.57 million on 31 December 2020 (CHF 39.8 million at 31 December 2019).

As a direct result of the pandemic, there is no additional material impact on the allowance for assessed contributions receivable. Member States were pro-active in paying the outstanding contributions and the collection rate for 2020 was 95 per cent which is in line with previous years.

The situation with respect to arrears in the Union’s regular budget at 31 December 2020 is set out in Annex C hereto.

|  |  |  |
| --- | --- | --- |
| **In thousands of CHF** | **31.12.2020** | **31.12.2019** |
| Current receivables – exchange transactions | 9,571 | 7,518 |
| Provision for losses on current receivables – exchange transactions | -1,090 | -1,046 |
|  |  |  |
| **Current receivables – exchange transactions: net value** | **8,4811** | **6,471** |
| Current receivables – non-exchange transactions | 125,0221 | 125,881 |
| Provision for losses on current receivables – non-exchange transactions | -35,716 | -37,566 |
|  |  |  |
| **Current receivables – non-exchange transactions: net value** | **89,306** | **88,315** |
| Non-current receivables – exchange transactions | - | - |
| Provision for losses on non-current receivables – exchange transactions | - | - |
|  |  |  |
| **Non-current receivables – exchange transactions: net value** | **-** | **-** |
| Non-current receivables – non-exchange transactions | 6,479 | 4,325 |
| Provision for losses on non-current receivables – non-exchange transactions | -6,479 | -4,325 |
|  |  |  |
| **Non-current receivables – non-exchange transactions: net value** | **-** | **-** |

##### Note 9 Inventories

Publications include publications for sale and publications distributed free of charge. Supplies include paper to be used for the printing of ITU publications and documents, items handled by the Supplies and Stores Service and various consumables.

Physical access to ITU premises to perform physical inventory and asset verification counts were limited for the safety of staff. Alternative verification methods were applied, and the restrictions did not impact the figures presented in the financial statements.

|  |  |  |
| --- | --- | --- |
| **In thousands of CHF** | **31.12.2020** | **31.12.2019** |
|  |  |  |
| Publications – gross value | 345 | 355 |
| Depreciation | -217 | -237 |
| **Publications – net value** | 127 | 117 |
| Souvenirs – gross value | 76 | 133 |
| Depreciation | -38 | -85 |
| **Souvenirs – net value** | 38 | 48 |
| Supplies – gross value | 293 | 373 |
| Depreciation | 0 | 0 |
| **Supplies - net value** | 293 | 373 |
| **Inventories – net value** | **459** | **539** |

**Note 10 Other receivables**

|  |  |  |
| --- | --- | --- |
| **In thousands of CHF** | **31.12.2020** | **31.12.2019** |
|  |  |  |
| Employee advances | 1,804 | 1,784 |
| UNDP current account | 466 | 486 |
| Yugoslavia | 1,189 | 1,189 |
| ./. Provision for debt Yugoslavia | -1,189 | -1,189 |
| Withholding tax | 2,201 | 2,152 |
| Pensions | 174 | 220 |
| Accrued interest | 1,688 | 1,894 |
| Accounts receivable | 3,105 | 1,678 |
| **Other receivables** | **9,439** | **8,534** |

Employee advances mainly comprised the payment of 96 per cent of education expenses for staff members’ children.

Tax at source comprises the withholding tax that is reimbursable by the Swiss Confederation’s Federal Tax Administration as well as the income tax to be recovered from the Government of the United States of America. The balance to be recovered from that administration stands at CHF 2.1 million at the end of 2020.

The debt of the former Federal Republic of Yugoslavia has been provisioned at 100 per cent. The amounts due have not yet been settled. The Union is awaiting a decision by the United Nations General Assembly regarding the handling of this debt.

Accounts receivable mainly represented the prepaid expenses related to the budget 2020.

The significant increase is due to the provision made on home leave. Due to the pandemic and the travel restrictions, ITU staff have not been able to take their home leave initially budgeted this year. Therefore, the budget associated was carried forward to 2021.

##### Note 11 Property and equipment

The ITU buildings comprise the following:

– Tower building, rue de Varembé, Geneva;

– Varembé building, rue de Varembé, Geneva;

– Extension C and Cafeteria, rue de Varembé, Geneva;

– Montbrillant building, rue de Varembé, Geneva.

These buildings were valued at an amount determined independently by external consultants for the IPSAS first financial statements in 2010. This value represented the estimated value of the buildings at their completion as well as the estimated value of renovations and repairs accomplished since the occupation of the buildings, after deduction of accumulated depreciation.

The changes in the net carrying amount of property, and equipment, including low value assets, during the 2020 period are explained below.

As of December 2020, no property, or equipment had been pledged as security for debt.

As of 1 January 2020, an accelerated depreciation has been applied to the Varembé building with a remaining useful life of three years. By the end of 2022, the net book value for the Varembé building will be zero. The demolishing of the Varembé building is planned for 2023.

It should be noted that progressively more equipment is of a mobile type, and staff are frequently working remotely. Tracking this equipment requires human and time resources and this was not feasible within the allocated timeframe.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Categories of asset** | **Buildings** | **Mach. & equip.** | **Furniture & fixtures** | **Computer equipment** | **Vehicles** | **Low value asset** | **Total** |
| **Cost at 1 January** | **125,000** | **2,046** | **1,707** | **8,981** | **296** | **15,488** | **153,518** |
| Additions | 69 | 121 | 7 | 540 | 60 | **1,061** | **1,859** |
| Gifts | - | - | - | - | - | - | - |
| Disposals | - | -46 | -208 | -168 | -60 | -396 | -878 |
| Impairment losses | - | - | - | - | - | - | - |
| Reclassifications & corrections | - | - | - | - | - | 2 | 2 |
| Revaluations | - | - | - | - | - | - | - |
| **Cost at 31 December** | **125,070** | **2,121** | **1,506** | **9,354** | **296** | **16,154** | **154,500** |
| **Depreciation at 1 January** | **33,286** | **2,005** | **1,631** | **8,205** | **229** | **15,488** | **60,843** |
| Recognized during the year | 14,798 | 31 | 25 | 544 | 34 | **1,062** | **16,496** |
| Disposals | - | -46 | -207 | -168 | -60 | -396 | **-878** |
| Impairment losses | - | - | - | - | - | - | **-** |
| Reclassifications & corrections | - | - | - | - | - | - | **-** |
| Revaluations | - | - | - | - | - | - | **-** |
| **Depreciation at 31 December** | **48,084** | **1,989** | **1,449** | **8,582** | **203** | **16,154** | **76,461** |
| **Net carrying amount at 1 January** | **91,714** | **41** | **76** | **776** | **67** | **-** | **92,675** |
| **Net carrying amount at 31 December** | **76,985** | **132** | **57** | **772** | **93** | **-** | **78,040** |

##### Note 12 Intangible assets

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Category of asset** | **Internal Dev** | **Software** | **Software LVA** | **Total** |
|  | **2020** | **2020** | **2020** | **2020** |
| **Cost at 1 January** | **3,351** | **6,746** | **718** | **10,815** |
| Additions | - | 714 | 238 | 952 |
| Gifts | - | - | - | - |
| Disposals | -140 | -443 | -98 | -682 |
| Impairment losses | - | - | - | - |
| Reclassifications & corrections | - | 8 | 2 | 10 |
| **Cost at 31 December** | **3,211** | **7,025** | **859** | **11,095** |
| **Depreciation at 1 January** | **2,195** | **6,016** | **718** | **8,929** |
| Recognized during the year | 535 | 529 | 240 | 1,303 |
| Disposals | -140 | -341 | -98 | -580 |
| Impairment losses | - | - | - | - |
| **Depreciation at 31 December** | **2,590** | **6,203** | **859** | **9,653** |
| **Net carrying amount at 1 January** | **1,156** | **730** | **-** | **1,886** |
| **Net carrying amount at 31 December** | **621** | **821** | **-** | **1,443** |

According to IPSAS 31, internal developments related to the improvement of services offered to members, specifically for the access, management and archiving of the Union documentation have been capitalized. Software capitalized are standard software and upgrade packages used in the Union’s operating activities.

##### Note 13 Assets under construction

|  |  |  |  |
| --- | --- | --- | --- |
| **Category of asset** | **Building Under constr.** | **Other Under constr.** | **Total** |
| **Cost at 1 January** | **3,948** | **1,243** | **5,191** |
| Additions | 4,228 | 36 | 4,264 |
| Gifts |  |  | - |
| Disposals |  |  | - |
| Impairment losses |  |  | - |
| Reclassifications & corrections |  | -12 | (12) |
| Revaluations |  |  | - |
| **Cost at 31 December** | **8,176** | **1,267** | **9,443** |
| **Depreciation at 1 January** |  | **-** | **-** |
| Recognized during the year |  |  | - |
| Disposals |  |  | - |
| Impairment losses |  |  | - |
| Reclassifications and corrections |  |  | - |
| Revaluations |  |  | - |
| **Depreciation at 31 December** | **-** | **-** | **-** |
| **Net carrying amount at 1 January** | **3,948** | **1,243** | **5,191** |
| **Net carrying amount at 31 December** | **8,176** | **1,267** | **9,443** |

##### It has been decided to disclose separately the assets under construction to anticipate on the new building project and thus allow for a transparent follow up of the project during the construction phase.

##### Note 14 Suppliers and other creditors

|  |  |  |
| --- | --- | --- |
| **In thousands of CHF** | **31.12.2020** | **31.12.2019** |
|  |  |  |
| Suppliers | 2,768 | 4,772 |
| Deposits received | 2,745 | 3,042 |
| Downpayments received | 502 | 694 |
|  |  |  |
| **Suppliers and other creditors** | **6,015** | **8,508** |

The amount shown for suppliers relates mainly to unpaid invoices, staff accounts and IOV invoices open for settlement with UNDP.

Deposits have been received for satellite network filings and for future publication purchases or invoices. These sums will be refunded to the beneficiaries or used to settle future invoices for satellite network filings and publications.

The down payments are advance payments made to the Union’s accounts by the host countries for the organization of events such as world conferences. After the closing of the event, the remaining balance is refunded to the host countries in conformity with the signed agreements.

**Note 15 Deferred revenue**

|  |  |  |
| --- | --- | --- |
| **In thousands of CHF** | **31.12.2020** | **31.12.2019** |
|  |  |  |
| Contributions - Member States | 109,293 | 109,661 |
| Contributions - Sector Members | 13,829 | 14,166 |
| Contributions - Associates | 2,184 | 2,123 |
| Contributions - Academia | 399 | 381 |
| Other deferred revenue | 6,404 | 3,097 |
| Contributions - Extra-budgetary | 458 | 1,263 |
| **Deferred revenue** | **132,566** | **135,642** |

In 2020, the deferred revenue for contributions represented the revenue associated with the year 2021 contributions. The other deferred revenue regroups the satellite network filings related to requests prepared at the end of 2020 with publication in 2021 and also the sponsorship agreements invoiced for the New Building but not yet paid.

**Note 16** **Borrowings and other financial debts**

|  |  |  |  |
| --- | --- | --- | --- |
| **In thousands of CHF** | **Due date** | **31.12.2020** | **31.12.2019** |
| Amounts initially borrowed from FIPOI |  |  |  |
|  |  |  |  |
| CHF 2'634'780 – as from 1990 | 2020 | - | 102 |
| CHF 19'627'590 – as from 1990 | 2039 | 8,513 | 8,856 |
| CHF 45'427'250 – as from 2002 | 2051 | 28,166 | 29,074 |
| CHF 2'000'000 – as from 2002 | 2051 | 1,240 | 1,280 |
| New Building Project |  | 9,291 | 5,637 |
| **Borrowings** |  | **47,110** | **44,949** |
| of which short term |  | 1,391 | 1,493 |
| of which long term |  | 45,718 | 43,456 |
| **Borrowings** |  | **47,110** | **44,949** |
| Borrowings - of which short term |  | 1,391 | 1,493 |
| **Borrowings – current** |  | **1,393** | **1,493** |
| Borrowings - of which long term |  | 45,718 | 43,456 |
| **Borrowings - non current** |  | **45,718** | **43,456** |

The reimbursement of the loan granted for the new ITU premise will start only after the successful delivery of the new building at the earliest beginning of 2026.

The present value of borrowings at 31 December 2020 is CHF 24.5 million, as against CHF 25.2 million at 31 December 2019. The difference in relation to the gross amount represents the present value of total unpaid interest up to the end of the borrowing term.

##### Note 17 Employee benefits

Employee benefits refer to all forms of consideration given by ITU in return for services rendered by its employees. They are recognized as and when they are earned by employees.

**17.1 Short-term employee benefits**

**Figures at 31.12.2020**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Employee benefits – short-term** | | |
| **In thousands of CHF** | **Overtime** | **Accumulated leave** | **Total employee benefits short-term** |
| **Opening balance** | **46** | **132** | **178** |
| Increase | 10 | - | 10 |
| Used during year | -42 | -2 | -44 |
| Release | -4 | -33 | -37 |
| Transfer | - | -97 | -97 |
| Unrealized exchange gain | - | - | - |
| **Closing balance** | **10** | - | **10** |

Overtime is calculated in accordance with the conditions established in the Staff Regulations and Staff Rules on the basis of local conditions and practices of local organizations of the United Nations common system.

##### 17.2 Long-term employee benefits

**Figures at 31.12.2020**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Employee benefits – long-term** | | | | |
| **In thousands of CHF** | **ASHI** | **Pensions** | **Installation/ repatriation** | **Accumulated leave** | **Total employee benefits long-term** |
| **Opening balance** | **611,896** | **54** | **13,500** | **9,407** | **634,857** |
| Increase | 19,974 | - | 821 | 2,513 | 23,308 |
| Used during year | - | - | -265 | -597 | -862 |
| Release | - | - | -1,339 | -40 | -1,379 |
| Transfer to/from short-term | - | - | - | 97 | 97 |
| **Closing balance** | **631,870** | **54** | **12,717** | **11,380** | **656,021** |

Long-term benefits are post-employment benefits, namely the ASHI plan, repatriation grant, accrued leave, and obligations under former pension and health insurance plans for some former ITU employees.

There is an increase of 21 per cent in the accumulated leave amounting to CHF 11.38 million in 2020 (CHF 9.4 million in 2019). Due to the pandemic in 2020 and the worldwide restrictions on travel, the annual leave have not been utilized. On an exceptional basis, the Secretary-General has authorized to carry forward the annual leave over the maximum 60 days to 2021.

17.2.1 Actuarial valuation of post-employment benefits under the ASHI plan

The accounting for the ASHI-related obligations is based on an annual actuarial study carried out by an independent consultancy. The most recent valuation, carried out in January 2021, established at CHF 631.89 million ITU’s obligations in respect of post-employment sickness benefits due to employees meeting the specified conditions at 31 December 2020. The actuarial study was carried out based on data provided by ITU.

17.2.2 Actuarial valuation − assumptions and methods

Within the framework of the valuation of obligations relating to the ASHI plan at 31 December 2020 and of the contribution for the 2020 period, ITU validates the assumptions and methods used by the actuaries. The assumptions and methods used for the valuation covering the 2020 period are described below.

|  |  |
| --- | --- |
| Discount rate | 0.20% for 2020 and 0.60% for 2019. |
| Increase in medical costs | 2.80% for 2020, and 3% in 2019. |
| Expected accounting rate of return on assets | n/a for 2020 |
| Salary increases | 3% plus 2019 UNJSPF Static salary scale. |
| Pension increases | 2.50% for 2020 and 2019 |
| Estimated annual average cost of claims for reimbursement of medical expenses in 2018 and variation in medical expenses according to age | The 2020 actuarial report is based on average cost of claims for reimbursement in CHF estimated at the end of the 2020 period as an average per age range of 50, 55, 60, 65, 70, 75 and 80 years at CHF 3’487, CHF 4’365, CHF 5’472, CHF 6’871, CHF 8’641, CHF 10’889, CHF 13’743. |
| Administrative expenses | The annual average administrative cost per person was estimated at CHF 161 |
| Mortality | The mortality is based on the last Sex-distinct United Nations Mortality Tables (January 2021) with no longevity improvement for actives and disable retirees, and with generational longevity improvement through 2040 for Service Pensioners, Widows and Widowers. Base year is 2017 with generational longevity improvement applied through 2040 for Current Healthy Inactive. |
| Valuation of assets | ITU has no asset under the Guarantee Funds as of 31 December 2020. |
| Disability rate | Varies according to age and gender and for Professional Staff and General Service Staff and increases with age. The rate is based on the United Nations Disability table communicated February 2020. |
| Rates of conversion of benefit rights | Vary according to age and number of years of service, with requests for conversion being more frequent in the first year. |
| Employee turnover | The separation rate for employees leaving the organizations considered in the valuation varies according to age and gender. |
| Retirement rate | For all staff, retirement rates are set equal to the rates from United Nations Task force message February 2020. Rates vary according to age, years of service, professional category. |
| Participation | 97.5% of future retirees will elect coverage in the ASHI. |
| Spouse coverage | 75% and 25% of male and female retirees have a spouse who will elect coverage with the ASHI. Men are assumed to be five years older than their spouse. |
| Actuarial method | Projected unit credit method with Service Prorate. The allocation period beginning at 45 years of age to reflect the fact that employees must be at least 55 years old and have completed 10 years of service in order to be eligible. |
| OCI approach | All gains/losses are recognized in full immediately during the year in which they arise, but outside of profit and loss, through the Statement of Comprehensive Income (SoCI). |

Staff members (and their spouses, dependent children, and survivors) separating from service at age 55 or over are entitled to after-service health insurance coverage provided they have completed at least ten years’ service with the United Nations or a specialized agency and were insured under the UNSMIS health plan during the five years immediately preceding their separation from service. The same benefits apply to staff members in receipt of a disability allowance from the United Nations Joint Staff Pension Fund. This regime is jointly financed, with ITU contributing 2/3 and the insured person 1/3.

The following tables provide additional information and analyses concerning the liabilities arising from employee allowances, as well as valuation of the assets held by the Fund according to the actuarial study performed to obtain the amounts at 31 December 2020.

|  |  |  |
| --- | --- | --- |
| **Amount of obligations under the ASHI plan at 31 December 2020 and 2019 in the statement of financial position** | ***In thousands of CHF* 31.12.2020** | ***In thousands of CHF* 31.12.2019** |
| Balance at 31 December 2020-2019 | *611’896* | *552’240* |
| Total expenses recognized in the statement of financial performance | *27’667* | *78’357* |
| Actuarial losses recognized in net assets | *-2’815* | *-12’038* |
| Contributions during the period | *-4’878* | *-6’663* |
| Unrealized exchange-rate loss / (gain) | *0* | *0* |
| Amount of obligations under the ASHI plan at 31 December 2020-2019 | *631’870* | *611’896* |

The ASHI-related obligation as of 31 December 2020 amounts to CHF 631.87 million. This increase from CHF 611.89 million at the end of 2019 to CHF 631.87 million in 2020 could be explained by different factors. The main element impacting the valuation of the ASHI is the discount rate which is used to calculate the present value of the future cumulated claims. In 2020, the discount rate decreased from 0.6 per cent to 0.2 per cent. The discount rate used for this valuation was determined by using Aon AA Corporate Bond Yield Curves as at 31 December 2020.

Upon a demand from the external auditors and for information, the valuation using the Aon Switzerland Government Bond Yield Curve has been requested. The discount rate with this Government Bond would be 0.2 per cent and would result in an increase of the ASHI obligation to about CHF 60 million.

The actuarial loss due to changes in actuarial estimates is recognized in net assets using the OCI method.

The following table shows the net amount of the obligation at the end of the financial period.

|  |  |  |
| --- | --- | --- |
| **Analysis of actuarial losses recognized in net assets** | ***In thousands of CHF*** | |
|  | **31.12.2020** | **31.12.2019** |
| Obligation due to changes in assumptions | -5,547 | -12,038 |
| Obligation due to experience during the period | 2,732 | - |
| Variation over the period | **-2,815** | **-12,038** |
| Cumulative amount recognized in net assets at 31 December | 267,574 | 270,389 |

The following table shows an analysis of profit and loss charge or credit at the end of the financial period.

|  |  |  |
| --- | --- | --- |
| **Amounts recognized in the statement of financial performance** | ***In thousands of CHF*** | |
|  | **31.12.2020** | **31.12.2019** |
| Updating of obligation and contributions for the period |  |  |
| Service costs | 24,026 | 21,759 |
| Past Service cost | 0 | 50,029 |
| Finance charge | 3,641 | 6,569 |
| Expected return on assets under the ASHI plan | 0 | 0 |
| Total | 27,667 | 78,357 |

In January 2020, the ITU integrated the UNSMIS (United Nations Staff Mutual Insurance Society). Joining this UN medical plan presents advantages for the staff as the contribution rate has been decreased and the deductible removed but also for ITU on a long-term approach due to the size of this plan. This plan brings together several organizations and specialized agencies of the United Nations based in Geneva. This health insurance plan includes the staff of the UN office in Geneva; UNHCR and WMO.

To join the UNSMIS medical plan in January 2020, ITU had to participate in the reserve fund of this plan for an equalization. The level of the participation had been agreed at the level of USD 19,53 million which was paid from the CMIP guarantee fund early 2020.

In addition, an extraordinary contribution to the reserve fund, started in 2020, will be paid yearly for 13 years. This extra-contribution aims at compensating the impact of the entrance of ITU population on the overall plan. This extra-contribution represents a total amount of USD 22.53 million split over 13 years.

The UNSMIS plan is based on a salary-based contribution of 3.4 per cent which was put in place as of 1 January 2020. The follow-up of the cost containment is managed by the UNSMIS Committee where ITU will have a seat as a new member.

For easy reference, please see [Document C21/46](https://www.itu.int/md/S21-CL-C-0046/en) on the annual report on ASHI.

17.2.3 ASHI plan, cost estimates for the 2020 period

A one per cent increase in the healthcare rate would result in a rise in the aggregate of service cost and interest costs of CHF 12,28 million and have an impact on the defined-benefit obligation of CHF 177,56 million. A one per cent decrease would result in a reduction of CHF 8.62 million in service cost and interest costs and of CHF 134,57 million in the defined-benefit obligation.

17.2.4 Repatriation

In principle, a repatriation grant shall be payable to staff members whom the Union is obliged to repatriate. Detailed conditions and definitions relating to eligibility and requisite evidence of relocation shall be determined by the Secretary-General.

Length of service, base salary and any language allowances were taken into account in calculating the total amount of the obligation at 31 December 2020. The economic assumptions used are a discount rate of 0.2 per cent (0.6 per cent in 2019) and a rate of salary increase of 3 per cent. For the valuation of 2020, the assumptions for the actuarial study on the repatriation grant have been aligned with the ASHI assumptions.

* + 1. Payment of the repatriation grant

Payment of the repatriation grant is governed by the conditions and definitions set out in the Staff Regulations and Staff Rules. As of December 2020, the provision amounted to CHF 12.71 million against CHF 13.33 million in 2019. The slight decrease could be explained by the average Salaries denominated in CHF which are lower than in the last full valuation in 2018, leading to gains on the Repatriation entitlement.

This provision is funded by a deduction of one per cent from the remuneration of staff members other than those engaged for conferences and other short-term services.

An IPSAS-compliant actuarial valuation is carried out each year by an independent consultancy.

17.2.6 Employee benefits under the United Nations staff pension plan

The ITU is a member organization participating in the United Nations Joint Staff Pension Fund (the “Fund”), which was established by the United Nations General Assembly to provide retirement, death, disability and related benefits to employees. The Fund is a funded, multi-employer defined benefit plan. As specified in Article 3(b) of the Regulations of the Fund, membership in the Fund shall be open to the specialized agencies and to any other international, intergovernmental organization which participates in the common system of salaries, allowances and other conditions of service of the United Nations and the specialized agencies.

The Fund exposes participating organizations to actuarial risks associated with the current and former employees of other organizations participating in the Fund, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and costs to individual organizations participating in the Fund. The ITU and the Fund, in line with the other participating organizations in the Fund, are not in a position to identify the ITU’s proportionate share of the defined benefit obligation, the plan assets and the costs associated with the plan with sufficient reliability for accounting purposes. Hence, the ITU has treated this plan as if it were a defined contribution plan in line with the requirements of IPSAS 39, Employee Benefits. The ITU’s contributions to the Fund during the financial period are recognized as expenses in the Statement of Financial Performance.

The Fund’s Regulations state that the Pension Board shall have an actuarial valuation made of the Fund at least once every three years by the Consulting Actuary. The practice of the Pension Board has been to carry out an actuarial valuation every two years using the Open Group Aggregate Method. The primary purpose of the actuarial valuation is to determine whether the current and estimated future assets of the Fund will be sufficient to meet its liabilities.

The ITU’s financial obligation to the Fund consists of its mandated contribution, at the rate established by the United Nations General Assembly (currently at 7.9 per cent for participants and 15.8 per cent for member organizations) together with any share of any actuarial deficiency payments under Article 26 of the Regulations of the Pension Fund. Such deficiency payments are only payable if and when the United Nations General Assembly has invoked the provision of Article 26, following determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Fund as of the valuation date. Each member organization shall contribute to this deficiency an amount proportionated to the total contributions which each paid during the three years preceding the valuation date.

The latest actuarial valuation for the Fund was completed as of 31 December 2019, and a roll forward of the participation data as of 31 December 2019 to 31 December 2020 will be used by the Fund for its 2020 financial statements.

The actuarial valuation as of 31 December 2019 resulted in a funded ratio of actuarial assets to actuarial liabilities, assuming no future pension adjustments, of 144.2 per cent (139.2 per cent in the 2017 valuation). The funded ratio was 107.1 (102.7 per cent in the 2017 valuation) when the current system of pension adjustments was taken into account.

After assessing the actuarial sufficiency of the Fund, the Consulting Actuary concluded that there was no requirement, as of 31 December 2019, for deficiency payments under Article 26 of the Regulations of the Fund as the actuarial value of assets exceeded the actuarial value of all accrued liabilities under the plan. In addition, the market value of assets also exceeded the actuarial value of all accrued liabilities as of the valuation date. At the time of this report, the General Assembly has not invoked the provision of Article 26.

Should Article 26 be invoked due to an actuarial deficiency, either during the ongoing operation or due to the termination of the Fund, deficiency payments required from each member organization would be based upon the proportion of that member organization’s contributions to the total contributions paid to the Fund during the three years preceding the valuation date. Total contributions paid to the Fund during the preceding three years (2017, 2018 and 2019) amounted to USD 7,546.92 million, of which 0.35 per cent was contributed by the ITU.

During 2020, contributions paid to the Fund amounted to USD 26.72 million (USD 25.1 million in 2019). Expected contributions due in 2021 are approximately USD 27 million.

Membership of the Fund may be terminated by decision of the United Nations General Assembly, upon the affirmative recommendation of the Pension Board. A proportionate share of the total assets of the Fund at the date of termination shall be paid to the former member organization for the exclusive benefit of its staff who were participants in the Fund at that date, pursuant to an arrangement mutually agreed between the organization and the Fund. The amount is determined by the United Nations Joint Staff Pension Board based on an actuarial valuation of the assets and liabilities of the Fund on the date of termination; no part of the assets which are in excess of the liabilities are included in the amount.

The United Nations Board of Auditors carries out an annual audit of the Fund and reports to the Pension Board and to the United Nations General Assembly on the audit every year. The Fund publishes quarterly reports on its investments, and these can be viewed by visiting the Fund at [www.unjspf.org](http://www.unjspf.org).

The figures are taken from the Union’s files and accounts.

**POSITION AT 31 dEcembEr 2020  
NUMBER OF PARTICIPANTS AT 31 DECEMBER 2020**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Number of participants at 31.12.2019** | **New participants** | **Transfers** | | **End of service** | **Number of participants at 31.12.2020** |
| **to ITU** | **to another organization** |
| 715 | 51 | 3 | 2 | 37 | 727 |

**Number of benefits paid during the financial year ending 31 December 2020**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Retirement benefits | Disability benefits | Survivor’s benefits | Child’s benefits | Other benefits |  |  | |
| Deferred life annuities | | TOTAL |
| 811 | 41 | 199 | 73 | 0 | 108 | | 1232 |

**Recapitulation of contributions to the Fund for the period 1 January to 31 December 2020  
- United States dollars –**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Nature of contributions** | **Normal contributions** | **Service validation contributions** | **Voluntary contributions** | **Total** |
| Contributions by participants | 8,778,779 |  | 115,807 | **8,894,586** |
| Contributions by the Union | 17,557,558 |  | 231,615 | **17,789,173** |
| Other contributions |  |  | 36,153 | **36,153** |
| Total | **26,336,337** | **-** | **383,576** | **26,719,913** |

Obligations related to other employee benefits

Before the establishment of UNJSPF and SHIF and ITU’s affiliation thereto, the Union had set up funds to provide retirement, death, disability and health insurance benefits to its staff members. Since ITU’s affiliation to the above-mentioned funds, the funds previously created have functioned as a closed fund. Obligations thereunder are shown as long-term liabilities. Agreements have been concluded between ITU and its funds to ensure the latter’s financing.

In 2020, the Union did not consider it necessary to request a new actuarial study for the Staff Superannuation and Benevolent Funds. At 31 December 2020, the provision for the obligations arising from pensions currently being paid to former employees affiliated to the Staff Superannuation and Benevolent Funds, recognized in 2010 in the amount of CHF 54 000, remains unchanged.

##### Note 18 Provisions

The provisions for risks and expenses comprise the provision for litigation which represents a valuation at the date of closure of future obligations associated with a past event in respect of various disputes to which ITU is a party, as well as the average cost for the administrative expenses in respect of each case brought before the tribunal.

The provision for satellite network filings (SNF) comprises the amount corresponding to the free-of-charge publication that Administrations are entitled to request in the course of any given year. The entirety of this provision was used in the course of the financial period.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Provision** | | |
| **In thousands of CHF** | **SNF** | **Litigation** | **TOTAL** |
| **Opening balance** | **545** | **182** | **727** |
| Increase | 530 | 486 | 1,016 |
| Used during year | -305 | -81 | -386 |
| Release | -240 | -5 | -245 |
| Transfer |  |  |  |
| Unrealized exchange gain |  |  |  |
| **Closing balance** | **530** | **574** | **1,105** |

##### Note 19 Other debts

|  |  |  |
| --- | --- | --- |
| **In thousands of CHF** | **31.12.2020** | **31.12.2019** |
| Accounts payable | 4,518 | 4,156 |
| Employees miscellaneous | 1,956 | 754 |
| Goods receipt/Invoice receipt | 16 | 21 |
| UNDP | 3 | - |
| **Other debts** | **6,493** | **4,931** |

##### Note 20 Allocated and unallocated extra budgetary funds

In accordance with IPSAS 23, the balance of funds at the date of closure represents financing received and not yet expensed. Balances are presented in the corresponding line of the balance sheet and the movements in these funds are illustrated in the following table, which indicates whether or not the financing is allocated to a project from third party sources or from ITU funding.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **In thousands of CHF** | Third-party funds allocated | Third-party funds awaiting allocation | **Total**  **third-party funds** | **Own funds**  **allocated to Extra-budgetary projects** |
| **Balances at 31.12.2019** | 35,151 | 3,184 | **38,3525** | **5,335** |
| Increase | 9,020 | 2,027 | **11,047** | 3,900 |
| Decrease | -5,731 | -858 | **-6,589** | -1,227 |
|  |  |  |  |  |
| **Closing balances 31.12.2020** | 38,430 | 4,353 | **42,783** | **8,008** |

There is an increase in the total amount of third-party funds allocated despite the hiatus caused by the COVID-19 pandemic. The external contributions have continued to arrive as a result of intensified efforts to attract additional Extra-budgetary funds. At the same time, there is a decrease in the implementation of third-party funds allocated projects due to the present situation.

The increase in third-party funds awaiting allocation is primarily due to the transfer of balances from closed projects.

The increase in ITU's own funds allocated to Extra-budgetary projects is due to allocations from the ICTD Fund and other ITU budget allocations. The implementation of projects (own funds) follows the same trend in 2020 as the other Extra-budgetary projects.

##### Note 21 Assessed contributions

The following table shows the contributions actually posted to account during the 2019 period.

|  |  |  |
| --- | --- | --- |
| **In thousands of CHF** | **2020** | **2019** |
| Contributions by Member States | 109,293 | 109,869 |
| Contributions by Sector Members | 13,939 | 14,173 |
| Contributions by Associates | 2,111 | 2,054 |
| Contributions by Academia | 398 | 390 |
| Contributions conferences | - | - |
| **Assessed contributions** | **125,741** | **126,485** |

By its Resolution 1396, adopted at its 2019 session, the Council approved the budget of the Union for the period 2020-2021.

The Council set the amount of the contributory unit for Member States at CHF 318’000 for 2019 and 2020, on the basis of 343 11/16 units. In the same Resolution, it set at CHF 63’600 the amount of the contributory unit for Sector Members for 2020 and 2021, this being 1/5 of the contributory unit for Member States. The financial contribution of Associates was set as follows: CHF 10’600 for Associates participating in the work of ITU-R and ITU-T, CHF 3’975 for Associates participating in the work of ITU -D, and CHF 1’987.50 for Associates participating in the work of ITU-D in the case of Associates from developing countries. The financial contribution for Academia, universities and their associated research establishments is set as follows: CHF 3’975 for developed countries and CHF 1’987.50 for developing countries participating in the work of the three sectors.

The 2020 revenues from Member States are in line with the financial plan as presented at PP-18. The assessed contributions from Member States are based on 343 11/16 Units.

##### Note 22 Revenue

##### Voluntary contributions

Voluntary contributions are sources of funding from third parties to support the Union in implementing development projects in favor of the UN-designated least developed countries. The total of voluntary contributions amounted to CHF 8.3 million in 2020 (CHF 10,4 million in 2019).

##### Other operating revenue

|  |  |  |
| --- | --- | --- |
| **In thousands of CHF** | **2020** | **2019** |
|  |  |  |
| Extra-budgetary revenue | 74 | 7,181 |
| Publications Sales | 17,116 | 15,614 |
| Satellite Network filing | 13,631 | 12,083 |
| UIFN/UIPRN-UISC | 254 | 131 |
| GMPCS-MoUs | 19 | 2 |
| Recovery –Publications | 15 | 9 |
| Other revenue | 9,104 | 4,346 |
|  |  |  |
| **Other operating revenues** | **40,213** | **39,366** |

Other operating revenue includes mostly cost recovery activities. The products and services for which ITU applies cost recovery are primarily registration of universal international freephone numbers (UIFN), Memorandum of Understanding on global mobile personal communication systems (GMPCS MoUs), publication sales. Project support revenue is included in inter-funds eliminations to provide a consolidated view of the financial performance of the Union.

Overall, an increase of 2.3 per cent in the operating revenue could be noticed. However, two elements have to be outlined in 2020. The significant decrease in the extra-budgetary revenue which is due to the deferment of the ITU TELECOM World 2020 scheduled in 2021 but also the increase in other revenue. This increase in other revenue is linked to the payment of the sponsorship agreement signed for the new building project.

##### Finance revenue

|  |  |  |
| --- | --- | --- |
| **In thousands of CHF** | **2020** | **2019** |
|  |  |  |
| Investment interest | 400 | 926 |
| Realized exchange gains | 16 | 24 |
| Unrealized exchange gains | -5,116 | 9,079 |
|  |  |  |
| **Finance revenue** | **-4,700** | **10,030** |

The situation on the financial market relevant to the Swiss Francs and the Euros still remained and became harder on the US Dollars with a lower interest rate which explains the low level of interest in 2020. It is also to be noted that despite the negative interest on the Swiss Francs applied on the accounts, ITU succeeded in neutralizing the negative interests by investing in short term deposits in USD as explained before. The unrealized exchange gains are not considered as a budget revenue but are due to the revaluation of the balance sheet at year end.

**Note 23 Expenses**

##### Employee expenses

Employee expenses cover all remunerations paid to staff members on permanent posts and all staff recruited for conferences or holding short-term contracts, such as base salary, post adjustment, language allowance, non-resident allowance, dependency allowance and overtime, as well as other employee expenses.

|  |  |  |  |
| --- | --- | --- | --- |
| **In thousands of CHF** | | **2020** | **2019** |
| Salaries and allowances | | 95,278 | **95,756** |
| other employee expenses | | **58,547** | **108,186** |
|  | Installations and repatriation | 567 | 2,295 |
|  | Education grant | 3,300 | 3,201 |
|  | Home leave | 984 | 1,000 |
|  | Accrued leave | 2,997 | 1.208 |
|  | Health & accident insurance | 9,453 | 10,934 |
|  | UNJSPF contribution | 17,186 | 17,259 |
|  | other expenses | 1,291 | 596 |
|  | ASHI adjustment | 22,789 | 71,694 |
| **employee expenses** | | **153,825** | **203,942** |

In 2020, the level of employee expenses has returned to a level similar to 2018 and previous years. The particularly high level in 2019 was due to the one-time ASHI adjustment (CHF 50 million) following the transition from the health insurance plan from CIGNA to UNSMIS.

Due to the pandemic and as explained in Note 17.2, the staff has not utilized the annual leaves which led to an increase of the cost related to accumulated leaves.

##### Mission expenses

Travel expenses decreased by 87 per cent from CHF 7.7 million in 2019 to CHF 1 million in 2020, primarily as a result of travel bans and restrictions, the cancellation or postponement of travel on duty, as well as the impact of the pandemic on assignment and repatriation related travel patterns.

##### Contractual services

This category covers all emoluments, fees and expenses paid to companies providing consultants within the framework of agreements and contractual arrangements. It also covers special service agreements, expenses pertaining to language courses as part of training, and costs in respect of subcontracted services. Contractual contracts amounted to CHF 14.5 million in 2020 (CHF 13.8 million in 2019). A detailed situation is shown in the segment reporting (Note 24).

##### Rental and maintenance of premises and equipment

This category covers the rental of conference premises and meeting rooms, storage areas and parking spaces, IT equipment and other office equipment. It also covers the maintenance of buildings, green spaces, vehicles, technical and IT equipment and insurance against fire, flooding, and other types of damage. Rental and equipment expenses amounted to CHF 3 million in 2020 (CHF 4.1 million in 2019).

##### Equipment and supplies, shipping, telecommunications, and service expenses

Equipment and supplies include office supplies, printer supplies, forms, cards, journals, books and bindings, IT supplies and software products that are not recorded as assets. Equipment and supplies amounted to CHF 2.9 million in 2020 (CHF 3.8 million in 2019). Shipping, telecommunications, and service expenses amounted to CHF 1.5 million in 2020 (CHF 1.6 million in 2019).

##### Other expenses

|  |  |  |
| --- | --- | --- |
| **In thousands of CHF** | **2020** | **2019** |
| External audit expenses | 13 | 108 |
| Participation to UN expenses | 469 | 664 |
| Legal expenses | 536 | 29 |
| Adjustment of provisions and other expenses | 7,289 | -390 |
|  |  |  |
| **Other expenses** | **8,306** | **411** |

Other expenses relate to the statutory annual audit of ITU’s books and accounts, carried out by the Corte dei Conti, as well as to the Union’s participation in the inter-organizational committees and services of the United Nations such as the Joint Inspection Unit, the United Nations High-Level Committee on Management and the Office for Information and Communications Technology.

Legal expenses include estimated costs for the outcome of open legal cases as well as the average cost for the administrative expenses in respect of each case brought before the tribunal.

The “Adjustment of provisions and other expenses” resulted mainly from the dissolution of the provision for doubtful debts due to the payment of overdue receivables.

In 2020, CHF 3.9 million was allocated to finance projects on the regional initiatives. In addition, the ITU paid the annual installment related to UNSMIS (CHF 1.6 million) and to avoid any negative future impact on 2021, the decision to make a provision for the installment 2021 (CHF 1.5 million) was made. These three items explain the increase of the other expenses in 2020.

##### Finance expenses

|  |  |  |
| --- | --- | --- |
| **In thousands of CHF** | **2020** | **2019** |
|  |  |  |
| Bank charges | 143 | 225 |
| Realized exchange loss | 210 | 65 |
| Unrealized exchange loss | 14,716 | 3,389 |
|  |  |  |
| **Finance expenses** | **15,069** | **3,679** |

The realized and unrealized exchange losses stem essentially from the revaluation of open items in other currencies at the time of the annual closure. This revaluation is reverted as at 1 January of the following year.

##### Note 24 Segment reporting – Statement of financial performance 2020

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **In thousands of CHF** | **Gen. Secret.** | **Radioc. Sector** | **Telec. Stand. Sector** | **Telec. Dev't Sector** | **Not attributable to a segment** | **Total Funds 1000+1010** | **New Building fund** | **New building reserve** | **Insurance fund** | **Voluntary contribs** | **FIT** | **ICTDF** | **UNDP** | **Telecom** | **Inter-sectors eliminations** | **Total** |
| **REVENUE** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Assessed contributions | - | 6,544 | 8,099 | 1,407 | 109,691 | **25,741** | - |  | - |  |  |  |  |  |  | **125,741** |
| Voluntary contributions | - | - | - | - | - | **-** | - |  | - | 3,002 | 5,236 | -5 | 66 | - | - | **8,300** |
| Publications | 5 | 16,995 | 17 | 72 | 27 | **17,116** | - |  |  | - | - | - | - | - | - | **17,116** |
| Cost recovery | 19 | 13,631 | 264 | 236 | 1,383 | **15,534** | - |  | - | - | - | - | - | - |  | **15,534** |
| Other revenues | 9 | 218 | 0 | 3 | -1,126 | **-896** | - | 10,000 | - | - | 21 | - | - | 54 | -1,614 | **7,564** |
| Finance Revenue | 0 | 0 | 0 | 2 | -4,790 | **-4,789** | - | 11 | 29 | 62 | 486 | 156 | 176 | -12 |  | **- 3,880** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Total revenue** | **33** | **37,389** | **8,380** | **1,720** | **105,184** | **152,705** | **-** | **10,011** | **29** | **3,064** | **5,743** | **151** | **243** | **42** | **-1,614** | **170,373** |
| **EXPENSES** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Employee expenses | 60,672 | 25,419 | 11,926 | 22,426 | 28,123 | **148,567** | - |  | 17 | 1,165 | 1,913 | - | - | 2,163 | - | **153,825** |
| 30 | 46,266 | 19,442 | 8,898 | 16,590 | 101 | **91,296** | - |  | - | 922 | 1,404 | - | - | 1,657 | - | **95,278** |
| 31 | 14,406 | 5,977 | 3,029 | 5,836 | 28,023 | **57,272** | - |  | 17 | 243 | 509 | - | - | 507 | - | **58,547** |
| Mission expenses | 105 | 142 | 147 | 313 | - | **707** | - |  |  | 17 | 250 | - | - | 28 | - | **1,003** |
| Contractual services | 5,565 | 470 | 746 | 3,701 | 945 | **11,426** | - |  | - | 1,399 | 1,567 | - | - | 120 | - | **14,512** |
| Rental and maintenance of premises and equipment | 2,750 | 2 | 3 | 24 | 226 | **3,004** | - |  | - | - | - | - | - | - | - | **3,004** |
| Equipment and supplies | 1,192 | 354 | 121 | 207 | 696 | **2,569** | - | 1 | - | 15 | 309 | - | - | 2 | - | **2,896** |
| Depreciation | - | - | - |  | 16,437 | **16,437** | - |  | - | 161 | - | - | - | - | - | **16,598** |
| Shipping, telecommunication and services expenses | 899 | -0 | -1 | 44 | 655 | **1,597** | - |  | - | 0 | 1 | - | - | - | - | **1,599** |
| Auditing of accounts and inter-organizational contributions | 6 | - | - | 35 | 441 | **481** | - |  | - | - | 0 | - | - | - | - | **482** |
| Other expenses | 24 | 925 | 6 | 3,041 | 5,528 | **9,524** | - |  |  | 32 | 237 | - | - | -354 | -1,614 | **7,824** |
| Finance expenses | 62 | 0 | 1 | 9 | 11,687 | **11,759** | 0 | 345 | 414 | 483 | 2,485 | 151 | 243 | 9 |  | **15,889** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Total expenses** | **71,275** | **27,312** | **12,949** | **29,799** | **64,737** | **206,072** | **0** | **346** | **431** | **3,272** | **6,762** | **151** | **243** | **1,970** | **-1,614** | **217,632** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Surplus / (deficit) for the period** | **-71,243** | **10,077** | **-4,569** | **-28,080** | **40,446** | **-53,368** | **-0** | **9,665** | **-401** | **-208** | **-1,019** | **-** | **-** | **-1,928** | **-** | **-47,259** |

**Segment reporting – Statement of financial performance 2019**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **In thousands of CHF** | **Gen. Secret.** | **Radioc. Sector** | **Telec. Stand. Sector** | **Telec. Dev't Sector** | **Not attributable to a segment** | **Total Funds 1000+1010** | **New Building fund** | **New building reserve** | **Insurance fund** | **Voluntary contribs** | **FIT** | **ICTDF** | **UNDP** | **Telecom** | **Inter-sectors eliminations** | **Total** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **REVENUE** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Assessed contributions | - | 6,565 | 8,161 | 1,500 | 110,259 | **126,485** | - | - | - | - | - | - | - | - | - | **126,485** |
| Voluntary contributions | - | - | - | - | 1 | **1** | - | - | - | 3,740 | 6,603 | 566 | -453 | - | - | **10,456** |
| Publications | - | - | - | - | - | **-** | - | - | - | - | - | - | - | - | - | **-** |
| Cost recovery | 1,585 | 27,507 | 141 | 110 | 881 | **30,224** | - | - | - | - | - | - | - | - | -1,971 | **28,253** |
| Other revenue | 47 | 178 | 1 | 1 | 1,104 | **1,332** | - | 3,040 | - | 116 | 132 | - | - | 6,908 | -415 | **11,113** |
| Finance Revenue | - | - | - | 1 | 9,940 | **9,942** | - | - | - | 12 | 709 | 110 | 96 | 2 | - | **10,871** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Total revenue** | **1,632** | **34,250** | **8,304** | **1,612** | **22,184** | **167,983** | **-** | **3,040** | **-** | **3,867** | **7,443** | **675** | **-357** | **6,910** | **-2,385** | **187,177** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **EXPENSES** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Employee expenses | 66,704 | 25,865 | 11,662 | 21,543 | 71,694 | **197,468** | - | - | 17 | 1,394 | 2,490 | - | - | 2,574 | - | **203,942** |
| 30 | 46,326 | 19,723 | 8,811 | 15,787 | - | **90,647** | - | - | - | 1,112 | 2,010 | - | - | 1,987 | - | **95,756** |
| 31 | 20,378 | 6,142 | 2,851 | 5,756 | 71,694 | **106,821** | - | - | 17 | 282 | 480 | - | - | 586 | - | **108,186** |
| Mission expenses | 943 | 1,150 | 986 | 2,512 | 19 | **5,609** | - | - | - | 405 | 1,500 | - | - | 253 | - | **7,767** |
| Contractual services | 5,854 | 397 | 531 | 2,399 | 546 | **9,727** | 5 | - | - | 1,303 | 1,518 | - | - | 1,269 | - | **13,821** |
| Rental and maintenance of premises and equipment | 3,285 | 103 | 55 | 86 | 36 | **3,565** | - | - | - | 381 | - | - | - | 229 | - | **4,175** |
| Equipment and supplies | 1,513 | 497 | 164 | 315 | 35 | **2,523** | 3 | - | - | 305 | 823 | - | - | 161 | - | **3,816** |
| Depreciation | - | - | - | - | 4,452 | **4,452** | - | - | - | 105 | 13 | - | - | - | - | **4,570** |
| Shipping, telecommunication and services expenses | 1,218 | 162 | 41 | 127 | 21 | **1,570** | - | - | - | - | 39 | - | - | 10 | - | **1,619** |
| Auditing of accounts and inter-organizational contributions | 724 | - | - | 48 | - | **772** | - | - | - | - | - | - | - | - | - | **772** |
| Other expenses | 82 | 8 | 7 | 48 | 704 | **850** | - | - | - | 3 | 447 | - | - | 1,566 | -2,385 | **480** |
| Finance expenses | 107 | 17 | 12 | 48 | 809 | **992** | 1 | 1 | - | 530 | 1,896 | 605 | -357 | 12 |  | **3,679** |
| **Total expenses** | **80,430** | **28,199** | **13,458** | **27,125** | **78,316** | **227,528** | **8** | **1** | **17** | **4,425** | **8,724** | **605** | **-357** | **6,075** | **-2,385** | **244,640** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Surplus / (deficit) for the period** | **-78,799** | **6,052** | **-5,154** | **-25,513** | **43,868** | **-59,546** | **-8** | **3,039** | **-17** | **-557** | **-1,281** | **71** | **-** | **836** | **-** | **-57,463** |

##### Note 25 Regional Presence



Efforts continued during 2020 towards enhancing ITU regional presence strengthening exercises, through a range of RBM measures to enable the Union to be more responsive to the specific needs of the regions and to effectively deliver timely and high-quality products and services at country and regional levels. Council 2019 mandated the Secretary-General to conduct a review of the regional presence in a bid to improve its efficiency and effectiveness. PwC was selected and their report was submitted in July 2020 outlining recommendations for improvement of ITU’s regional presence. The report was presented to the Council in November 2020. In August 2020, the secretariat convened a Task Group comprising staff from all relevant departments within the General Secretariat and from all Bureaux to review and provide a detailed report on the PwC Report, including recommendations for future implementation. The PwC report was presented in [C20/74](https://www.itu.int/dms_ties/itu-s/md/20/cl/c/S20-CL-C-0074!!PDF-E.pdf) in November 2020 and was noted by the Council. A note to Council from the secretariat Task Group was also presented to the Council in [C20/75](https://www.itu.int/md/S20-CL-C-0075/en). PwC recommendations requiring Council Decision were referred to the Council Working Group on Financial and Human Resources (CWG-FHR) to provide guidance on the way forward for the implementation of the recommendations.

##### Note 26 Reconciliation between budgeted amounts and actual amounts

The financial statements include:

• ITU regular budget;

• ITU TELECOM events;

• Voluntary contributions;

• SS&B funds;

• UNDP, trust funds and ICTDF projects.

The Union’s budget and financial statements are established on different bases. The 2018-2019 budget is established on a mixed basis, with a number of specific items that are not dealt with on an accrual basis. Furthermore, the ITU budget deals solely with the Union’s core activity and not with activities financed by voluntary contributions, projects and funds.

The Union’s financial statements are drawn up on an accrual basis using a classification based on the nature of the expenses recorded in the statement of financial performance (see Table II).

The perimeter differences are due to the Extra-budgetary funds, which are not part of the regular budget. In order to reconcile the final result for budgetary control of the net result of the period after IPSAS adjustments, account has to be taken of the differences between the budget presentation and the accrual accounting (see Table V). In the budget, expenses relating to non-expendable equipment are recognized as investment expenses. In accrual accounting, non-expendable equipment (items over CHF 5’000) is entered in the accounts as fixed assets and depreciated over their probable period of use, with the exception of fixed assets acquired with Extra-budgetary funds and transferred to the beneficiary of the project. The depreciation expense associated with the fixed assets is recognized in the statement of financial performance and is not taken into account in the budget.

In the budget, expenses corresponding to employee benefits are taken into account as and when they are paid, whereas in accrual accounting a part of the expenses is estimated by an actuary using a methodology set out in the accounting standards. After-service health insurance obligations are recognized in the statement of financial position, as indicated in Note 17. Realized and unrealized exchange-rate differences are not taken into account in the budget but reflected in the statement of financial performance. The same goes for the provision for doubtful debts and recognition of inventories. Repayment of the FIPOI loan was not considered as an expense in the statement of financial performance, even though it had been budgeted.

Interest associated with the interest-free loans granted by FIPOI was calculated under normal market conditions and was not paid but was recognized as an in-kind contribution and expense in the statement of financial performance.

In the 2020 financial year, revenue and expenses of CHF 165.61 million were budgeted.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2020** | | | |
|  | **Operating** | **Investment** | **Finance** | **Total** |
|  | in thousands of CHF | | | |
| **Results on a comparable basis** | -1,483 |  |  | **-1,483** |
| Changes in and use of provision for doubtful debts | -1,105 |  |  | -1,105 |
| Recognition of inventories | -75 |  |  | -75 |
| Capitalization of fixed assets |  | 1,545 |  | 1,545 |
| Depreciation | -16,437 |  |  | -16,437 |
| Exchange-rate gains and losses | -16,363 |  |  | -16.363 |
| ASHI | -22,789 |  |  | -22,789 |
| Repayment of FIPOI loan not considered as expense |  |  | 1,493 | 1,493 |
| In-kind revenue | 820 |  |  | 820 |
| In-kind expenses | -820 |  |  | -820 |
| Sale of assets | 9 |  |  | 9 |
| Other | 40 |  |  | 40 |
| **Total IPSAS differences** | **-56,721** | **1,545** | **1,493** | **-53,684** |
| Gain Fund 1000/1010 | -58,204 | 1,545 | 1,493 | -55,166 |
| Increase of Fund 1010 reserves | 1,799 |  |  | 1,799 |
| **Total surplus** | **-56,405** | **1,545** | **1,493** | **-53,367** |
| **Perimeter differences** | **6,108** |  |  | **6,108** |
| **Surplus as shown in the statement of financial performance** | **-50,297** | **1,545** | **1,493** | **-47,259** |

**Note 27 Related-party disclosures**

The following entity is to be considered as a related party:

– the United Nations Joint Staff Pension Fund (UNJSPF).

The ITU Council comprises 48 Member States, without specific individuals being designated.

The Union is managed by the Secretary-General, as executive head, assisted in that task by the Deputy Secretary-General and the Directors of the Union’s three sectors (high-ranking officials sitting on the Coordination Committee): Radiocommunication Sector (ITU-R), Telecommunication Standardization Sector (ITU-T) and Telecommunication Development Sector (ITU-D). The five Elected Officials are assisted by four Senior Officials at grade D.2), and by 20 other management officials at grade D.1 (chiefs of department or heads of unit).

The total remuneration paid to key management officials comprises net salary, post adjustment, allowances such as representation expenses, installation grant, repatriation grant, accrued leave, rental subsidy and removal of personal effects.

Key management officials are also entitled to the same benefits as staff in the Professional category, namely:

– home leave;

– education grant;

– post-employment benefits.

These benefits cannot be separately quantified in a reliable manner.

Key management officials are ordinary participants in the United Nations Joint Staff Pension Fund.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **31.12.2020** | | **31.12.2019** | |
| **In thousands of CHF** | **Number of persons** | **Total remuneration** | **Number** | **Total remuneration** |
| **of persons** |
| 5 elected officials | 5 | 2,135 | 5 | 2270 |
| **Main management officials** | **5** | **2,135** | **5** | **2,270** |
| D.2 directors | 4 | 1,147 | 3 | 775 |
| D.1 directors | 20 | 4,723 | 18 | 5,728 |
| **Total chiefs of department** | **24** | **5,870** | **21** | **6,503** |
| **Total main management officials – ITU** | **29** | **8,005** | **26** | **8,773** |

##### Note 28 Obligations

By joining the UNSMIS as from 1 January 2021, ITU signed a contract in which the payment of extraordinary contributions is defined. This extra-contribution represents a total amount of USD 22.53 million split over 13 years. The first installment was paid in 2020.

##### Note 29 Events after the reporting date

No new major event after the date of closure having significant impact on the financial statements for the 2020 financial year is to be noted subsequent to the signature of the financial statements by the Secretary-General on 15 March 2021 and their submission to the Council. However, the worldwide pandemic is still a concern and the follow-up on the measure already in place is done with the utmost attention.

**I REGULAR BUDGET (Annex B1)**

Regular budget

1. In the 2020 financial year, revenue and expenses of CHF 167.47 million were initially budgeted. Due to the postponement of the WTDC to 2022 and WTSA to 2023 CHF 1.86 million have been registered as deferred activities which brought the final budget to CHF 165.11 million.

Revenue

1. A budget of CHF 2.25 million was allocated for the Building (CHF 0.75 million) and ICT projects (CHF 1.5 million) for 2020. The related expenses for 2020 are included in the total expenses of the General Secretariat.

Assessed contributions

1. Revenue from assessed contributions is budgeted at CHF 125.55 million a year for the biennium 2020-2021 Total contributions actually posted to account amounted to CHF 125.74 million in 2020.

1. Despite the challenges of COVID and the global economic slowdown, and some resulting consolidation in the industry, ITU membership remained stable in 2020, and even grew slightly. ITU membership reached 925 entities, the highest level ever, including almost 100 new memberships.
2. The strongest growth in industry membership came through ITU-T. Attracted by new activities, leading academia specializing in emerging topics also joined ITU.
3. Furthermore, new reduced fees for SMEs were introduced in 2020, as per Resolution 209 (Dubai, 2018). Following significant digital marketing and outreach efforts, ITU welcomed 23 SMEs, with 21 in ITU-T and 2 in ITU-R. Some 2/3rds of the new Associates in ITU-T in 2020 qualified for the reduced fees for SMEs.
4. In short, new topics and special efforts are helping attract new players to join ITU, thus helping ITU membership evolve to be more inclusive and reflect the changing ICT ecosystem.

Project support cost revenue

1. Project support cost revenue for 2020 was budgeted at CHF 1.37 million. Actual revenue amounted to CHF 0.2 million compared to CHF 0.4 million in 2019. The revenue is recorded only if the projects are implemented.

**Sales of publications**

1. Revenue from the sales of publications in 2020 reached CHF 17.12 million, which represents a 10 per cent increase from 2019 actual sales revenue (CHF 15.61 million) and 90 per cent of the 2020 budget.
2. Sales in 2020 were boosted mainly from 4th Quarter releases of two titles updated every 4 years: Radio Regulations 2020, and the Manual for Use by the Maritime Mobile and Maritime Mobile-Satellite Services (Maritime Manual 2020). Sales development activities included the addition of two new global resellers in 2020 for continued expansion of distribution channels, as well as the continued enhancement of campaigns to Port inspectors disseminating anti-counterfeit elements which have now been incorporated on all ITU Maritime Service Publications.
3. While the vast majority of ITU content and titles are now freely accessible online, the traditional larger clients incorporating global telecommunication statistics, i.e., Economist Intelligence Unit, Financial Times, Ernst & Young, etc., renewed their customized data license agreements for ITU-D’s World Telecommunication/ICT Indicators Database, and thus continue annual royalty payments to ITU.

Products and services under cost recovery

1. Products and services under cost-recovery revenue was forecast at CHF 17.5 million in the regular budget 2020. Actual revenue came to CHF 13.92 million (CHF 13.72 million in 2019). Due to the deferment of the ITU TELECOM World 2020, the Secretary-General decided not to process cost recovery amounting to CHF 1.5 million. This decrease is also due to Satellite Network Filings. Despite a lot of requests for notification invoice in 2020, it was not possible to publish all the Satellite Network Filings which led to an increase in deferred revenue.
2. In 2020, CHF 16.6 million was invoiced against CHF 13.2 million in 2019.

Interest revenue

1. Interest revenue was budgeted at CHF 0.3 million. Actual revenue came to KCHF 125 (KCHF 408 in 2019). In 2020, the conditions related to the Swiss Francs became harder. ITU had to support negative interests which were offset by deposits made in USD. However, the return rate on USD has also decreased which explains the relative low interest revenue for 2020.

Expenses

1. Information related to expenses is provided in Note 23.
2. Total expenses of the ITU-T amounted to CHF 13.08 million in 2020, or 98 per cent of the budget of CHF 13.35 million.
3. In 2020, the Radiocommunication Bureau (BR) budget was managed in the most efficient and rigorous manner, in accordance with the ITU Financial Regulations and Financial Rules. BR expenditure remained within the approved limits and total expenditure amounted to CHF 27.3 million, which represents 92 per cent of the approved budget of CHF 29.8 million.
4. To ensure that the work of BDT is implemented in the most efficient way possible and with tangible, measurable results that make impact, the Bureau embraced digital solutions, gradually developing new ways to better deliver its services including new approaches to the Operational Plan.
5. New electronic tools continue to be improved for planning, monitoring and sharing of information and activities. BDT launched a series of dashboards to visualize data from multiple systems, increasing real-time monitoring capacity of actionable information.
6. Additionally, an intensive results-based management (RBM) exercise was scaled up in 2020. RBM training was provided across all BDT units and regions in 2020. A Delegation of Authority framework was launched in June 2020 to improve coordination efficiency between Headquarters and regional offices. A quarterly management review process was also launched to routinely evaluate resources, risk assessments and key performance indicators (KPIs).
7. The total expenditure of BDT amounted to CHF 29.79 million in 2020, or 94.9 per cent of the approved budget of CHF 31.39 million.

Expenses not foreseen in the budget

1. An amount of CHF 22.78 million was recognized as expense for adjustment of the After-Service Health Insurance (ASHI) provision for employees. This expense is considered as statistical and is not part of the budgetary result.
2. An in-kind contribution was recognized as both an expense and a revenue. This recognition of the in-kind contribution is further to the Swiss Parliament’s decision, which took effect on 1 January 1996, to cease charging interest on loans granted by the Building Foundation for International Organizations (FIPOI). At 31 December 2020, this contribution represents a saving for the Union of some KCHF 820, based on a long-term interest rate of 3.25 per cent.
3. An amount of CHF 7 million was recognized as expense for depreciation registered during the 2020 period.

Fraud case

1. An internal coordination group has been set up to take actions and to ensure that such cases do not recur within ITU. This group has already reported to the CWG-FHR on the implementation of the recommendations of the External Auditor and IMAC.
2. The various details and dates of implementation of these recommendations will be presented at this Council session through Document [C21/63](https://www.itu.int/md/S21-CL-C-0063/en).
3. In 2020, an amount of USD 172,304 was refunded to the donor NBTC in Bangkok upon his request.

II NEW HEADQUARTERS PREMISES (ANNEX B2)

1. During 2020, the project design and cost has been further detailed, and the construction permit request will be submitted by the end of the year.
2. The second tranche of the loan in the amount of CHF 138 million was granted in February 2021.
3. An amount of CHF 3.65 million was received from the loan and in 2020, the expenses for the new building project amounted to CHF 4.2 million.
4. Further to the budget implementation, an amount of CHF 2 million was paid into the risk register fund which stands at 3.4 million.
5. Further details can be found in Document [C21/7](https://www.itu.int/md/S21-CL-C-0007/en).

III STAFF SUPERANNUATION AND BENEVOLENT FUNDS (ANNEX B3)

1. The ITU Staff Superannuation and Benevolent Funds are the set of funds that guarantee the pensions of employees who were in service prior to 1 January 1960, the date on which ITU became affiliated to the United Nations Joint Staff Pension Fund. They originally comprised several individual funds and accounts. At the end of 2020, the Reserve and Complement Fund paid out 16 retirement pensions and 16 survivor’s pensions; and the Assistance Fund served to assist staff members and pensioners in difficult financial situations. The most recent calculation of the obligations to be provisioned for beneficiaries of the ITU Staff Superannuation and Benevolent Funds was made on 31 December 2011.
2. Pursuant to Resolution 7 (Geneva, 1959) of the Plenipotentiary Conference, the staff of ITU is affiliated, as from 1 January 1960 to the United Nations Joint Staff Pension Fund. Under Article 86 of the Regulations of the ITU Staff Superannuation and Benevolent Funds, those Funds are managed by the Union. The assets of the Funds must be invested in trustee securities. The accounts of these Funds are verified by the External Auditor as part of the periodic audits of the accounts of the Union.
3. A current account for each of the two remaining Funds is held with the Credit Mutuel in France.
4. In 2020, to avoid negative interests on the Swiss Francs, USD 5 million were purchased and invested which led to a surplus amounting to CHF 7’984 for the Reserve and Complement fund.

IV UNITED NATIONS DEVELOPMENT PROGRAMME

1. Within the various categories of UNDP projects, ITU can be the executing agency either on an exclusive basis or jointly with UNDP.
2. In general, there are two categories of UNDP projects: projects executed by ITU and projects executed by governments.
3. For projects that are either partially or entirely executed by ITU, the Union has a budgetary allocation from UNDP. At the end of each year, on the basis of the project delivery report (PDR), UNDP reimburses ITU for all expenditure incurred, within the allocation. For the support that ITU provides to the projects, ITU has an allocation that is based pro rata on the expenditure recorded in the PDRs.
4. In 2020, the operating fund with UNDP shows a balance of CHF 1 million in ITU’s favor (CHF 209’579 in ITU’s favor in 2019).

V TRUST FUNDS (ANNEX B4)

1. The Special Fund for Technical Cooperation (SFTC) was designed to meet the needs of developing countries requesting urgent assistance. It is based on voluntary contributions, either in cash in any currency or in some other form.
2. Unused appropriations for all types of projects from third parties as well as ITU funds amounted to CHF 37.6 million in 2020 (CHF 44.8 million in 2019). The balance of third-party funds in the process of allocation, which stood at CHF 3 million at the end of 2020 (CHF 1,7 million at the end of 2019), represents newly received funds for projects about to start as well as residual funds from closed projects, which balance will either be returned to donors or allocated to new projects.
3. In 2020, liquid assets amounted to CHF 15.5 million (CHF 23.9 million in 2019). Investments amounted to CHF 20.8 million at the end of 2020 (CHF 13.9 million in 2019. These deposits yielded interests amounting to KCHF 204 in 2020 (KCHF 447 in 2019).

**Project delivery and support costs 2020**

1. In 2020, expenses for all types of trust fund projects amounted to CHF 6.7 million, as against CHF 8.7 million in 2019. The support costs amounted to KCHF 236 in 2020 (KCHF 414 in 2019).

VI VOLUNTARY CONTRIBUTIONS (ANNEX B5)

1. In 2020, liquid assets amounted to CHF 5.6 million (CHF 9.4 million in 2019).
2. In 2020, expenses for all types of Voluntary contributions amounted to CHF 3.2 million, as against CHF 4.4 million in 2019.

VII ICT DEVELOPMENT FUND (ANNEX B6)

1. The balance of the ICT Development Fund stood at CHF 3.8 million at 31 December 2020 (CHF 4.6 million at 31 December 2019).
2. In 2020, an amount of CHF 1.7 million was allocated for the financing of ICT projects and the interest on deposit which amounted to KCHF 16 was transferred to the ICTDF Capital Fund.

VIII ITU TELECOM WORLD 2019 (ANNEX B7)

1. As a result of the ongoing COVID-19 crisis, ITU Digital World 2020 (2020’s ITU Telecom event, originally scheduled to take place in Hanoi, Viet Nam from 6 to 9 September 2020) is now scheduled to take place (at the time of this writing) as ITU Digital World 2021 in the same venue from 12 to 15 October 2021.
2. The ITU Digital World 2020 budget was approved with an expected total revenue of more than CHF 6 million and total expenses of CHF 5.91 million to generate an Event result of CHF 91,000.
3. Following the deferment of ITU Digital World 2020 to 2021, virtual events took place which generated a total of CHF 53,611.12 revenue through three (3) forum sponsorships and three (3) barters representing 1 per cent of the total revenue budget.
4. Actual total expenses represented 33 per cent of the budget comprising total direct expenses (6 per cent of the budget) and total core expenses (46 per cent of the budget). Out of the direct expense budget of CHF 1,900,500, only CHF 120,338.58 (6 per cent) has been spent. ITU Telecom Secretariat and the Financial Resources Management Department continue their concerted efforts to carefully monitor and reduce expenses. The significantly lower level of direct costs was due to the deferment of the Event.
5. In view of the deferment of the Event from 2020 to 2021, the Secretary-General has decided not to charge cost recovery to ITU Digital World 2020 which has been budgeted at CHF1.5M.
6. The actual total revenue of CHF 53,611.12 less the actual total direct expenses of CHF 120,338.58 led to a gross result of -CHF 66,727.46. In view of the deferment of Events which did not make it possible for ITU to raise a significant amount of revenue while incurring some direct expenses and indirect expenses through the salaries of ITU Telecom staff, the net result for ITU Digital World 2020 as of 31 December 2020 amounts to -CHF 1,906,621.84.

IX FINANCIAL DISCLOSURE

1. ITU, as the rest of the world, had to deal with the COVID-19 virus since March 2020. A pandemic planning emergency response has been implemented and shared last year through Document [C20/42](https://www.itu.int/md/S20-CL-C-0042/en), Annex F.
2. The document [C21/74](https://www.itu.int/md/S21-CL-C-0074/en) gives an analysis of the impact of the coronavirus (COVID-19) pandemic on the functioning and activities of ITU, in the short and medium term of the COVID-19 pandemic.
3. Below is a table showing the 2020 expenses in relation to this pandemic and in line with the ITU emergency plan.



1. In 2020, despite the situation related to COVID-19, the ITU did not experience any significant decrease in the assessed contributions from Members States, Sector Members, Associates, and Academia.
2. As of 31 December 2020, the collection rate of contributions remained high, 95 per cent in line with previous years.
3. On an overall level the COVID-19 has generated savings during the implementation of the 2020 budget. Since all official missions were cancelled as well as physical conferences, these savings were mainly connected to travel costs; Fellowships; equipment purchases; cleaning; electricity; and meetings. It should be noted that the savings achieved offset the decline in revenues, mainly from the sale of publications. The postponement of the ITU Telecom World 2020 event in Vietnam also impacted on cost recovery revenues.

X EXTERNAL AUDIT OF THE UNION’S ACCOUNTS

1. Pursuant to Article 28 of the Financial Regulations, the External Auditor of the Union’s accounts is the supreme audit institution of Italy which has been appointed by the Council at its 2011 session, in a manner decided by the Plenipotentiary Conference and for a four-year term. The audit was carried out in accordance with generally accepted common auditing standards and, subject to any special directions of the Council, in accordance with the Additional terms of reference governing external audit set out in Annex 1 to the Financial Regulations.
2. Pursuant to the United Nations accounting standards, the information submitted for auditing is presented in the form of statements or tables.
3. The audited accounts are submitted to the Council for approval. They are accompanied by the reports of the External Auditor, who will be invited to introduce his reports at the relevant meeting of the Council.

ANNEX A

DRAFT RESOLUTION

Financial operating report for the 2020 financial year

The ITU Council,

in view of

[No. 101](https://www.itu.int/en/council/Documents/basic-texts/Convention-E.pdf) of the Convention of the International Telecommunication Union and [Article 30](https://www.itu.int/en/council/Documents/Financial-Regulations/S-GEN-REG_RGTFIN-2018-PDF-E.pdf) of the Financial Regulations of the Union,

having examined

the financial operating report for the 2020 financial year, covering the audited accounts for the 2020 financial year of the budget of the Union, the situation of the ITU TELECOM 2020 accounts and the audited 2020 accounts for technical cooperation projects, voluntary contributions and the ITU Staff Superannuation and Benevolent Funds,

having noted

that the External Auditor's reports are set out in [Document C21/40](http://www.itu.int/md/S21-CL-C-0040/en),

resolves

to approve the financial operating report for the 2020 financial year ([Document C21/42](https://www.itu.int/md/S21-CL-C-0042/en), covering the audited accounts of the Union, the situation of the ITU TELECOM 2020 accounts and the 2020 audited accounts for technical cooperation projects, voluntary contributions and the ITU Staff Superannuation and Benevolent Funds.

ANNEX B1

**Regular Budget**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Revenue** | **Budgeted amounts** | | | | **Actual amounts** | **Difference between final budget and actual amounts** |
| **Initial Budget** | **Deferred Activity** | **Budget transfers** | **Final budget** |
| **31.12.2020** | **31.12.2020** | **31.12.2020** | **31.12.2020** | **31.12.2020** | **31.12.2020** |
|  |  |  |  |  |  |  |
| *Assessed contributions Member States* | *109,293* |  |  | *109,293* | *109,293* | *-0* |
| *Assessed contributions Sector Members* | *13,964* |  |  | *13,964* | *13,939* | *-25* |
| *Assessed contributions Associates* | *1,919* |  |  | *1,919* | *2,111* | *192* |
| *Assessed contributions Academia* | *376* |  |  | *376* | *398* | *22* |
| *Conferences contributions* |  |  |  |  | *-* | *-* |
| **Assessed contributions** | **125,552** |  |  | **125,552** | **125,741** | **189** |
|  |  |  |  |  |  |  |
| *Support cost* | *1,375* |  |  | *1,375* | *236* | *-1,139* |
| *Sales of Publications* | *19,000* |  |  | *19,000* | *17,116* | *-1,884* |
| *UIFN* | *500* |  |  | *500* | *254* | *-246* |
| *TELECOM* | *1,500* |  |  | *1,500* | *-* | *-1,500* |
| *SNF Cost recovery* | *15,500* |  |  | *15,500* | *13,631* | *-1,869* |
| *Cost recovery other* |  |  |  | *-* | *34* | *34* |
| **Cost recovery** | **37,875** |  |  | **37,875** | **31,271** | **-6,604** |
|  |  |  |  |  |  |  |
| **Interests** | **300** |  |  | **300** | **125** | **-175** |
| **Other revenue** | **100** |  |  | **100** | **-1,834** | **-1,934** |
| **Deferred activities** |  | **-1,867** |  | **-1,867** | **-1,867** |  |
| **Withdrawal from Reserve Account** | **-** |  |  | **-** | **-** | **-** |
| **Savings from previous years** | **3,651** |  |  | **3,651** | **-** | **-3,651** |
| **Total revenue** | **167,478** |  | **-** | **165,611** | **153,435** | **-12,176** |
| **Expenses** | **Budgeted amounts** | | | | **Actual amounts** | **Difference between final budget and actual amounts** |
| **Initial Budget** |  | **Budget transfers** | **Final budget** |
| **31.12.2020** |  | **31.12.2020** | **31.12.2020** | **31.12.2020** | **31.12.2020** |
| *General Secretariat* | *91,920* |  |  | *91,920* | *84,764* | *7,156* |
| *Radiocommunication Sector* | *29,831* |  |  | *29,831* | *27,278* | *2,553* |
| *Telecommunication Standardization Sector* | *14,328* | *-1,685* |  | *12,643* | *13,080* | *-437* |
| *Telecommunication Development Sector* | *31,399* | *-182* |  | *31,217* | *29,795* | *1,422* |
|  |  |  |  | *-* |  | *-* |
| **Total expenses** | **167,478** |  | **-** | **165,611** | **154,918** | **10,693** |
| **Result** |  |  |  |  | **(1,483)** | **(1,483)** |

ANNEX B2

**New headquarters premises**

|  |  |  |
| --- | --- | --- |
| (in thousands of Swiss francs) | **31/12/2020** | **31/12/2019** |
| **REVENUE** |  |  |
| Donations/sponsor | 10,000 | - |
| Finance revenue | 11 |  |
| **Total revenue** | **10,011** | **-** |
| **EXPENSES** |  |  |
| Employee expenses | - | - |
| Mission expenses | - | - |
| Contractual services | - | 5 |
| Rental and maintenance of premises and equipment | - | - |
| Equipment and supplies | 1 | 3 |
| Shipping, telecommunication and service expenses | - | - |
| Other expenses | - | - |
| Finance expenses | 345 | 0 |
|  |  |  |
| **Total expenses** | 346 | 8 |
| **Surplus/deficit for the period** | **9,665** | **-8** |

|  |  |  |
| --- | --- | --- |
| (in thousands of CHF) | **31/12/2020** | **31/12/2019** |
| **ASSETS** |  |  |
| **Current assets** |  |  |
| Cash and cash equivalents | 15,005 | 9,046 |
| Investments | 4,530 | **-** |
| Receivables - non-exchange transactions | 2,000 | 5,000 |
| Inventories |  |  |
| Other receivables | 2,022 | 1,430 |
| **Total current assets** | **23,556** | **15,476** |
|  |  |  |
| **Non-current assets** |  |  |
| Property, plant and equipment |  |  |
| Intangible assets |  |  |
| Assets under construction | 8,176 | 3,948 |
| **Total non-current assets** | **8,176** | **3,948** |
|  |  |  |
| **Total ASSETS** | **31,732** | **19,424** |
| **LIABILITIES** |  |  |
| **Current liabilities** |  |  |
| Suppliers and other creditors | 66 | 87 |
| Deferred revenue | 2,000 | 5,000 |
| Other debts | 6 |  |
| **Total current liabilities** | **2,071** | **5,087** |
|  |  |  |
| **Non-current liabilities** |  |  |
| Borrowings | 9,291 | 5,637 |
| Employee benefits | 8 | 8 |
| **Total non-current liabilities** | **9,299** | **5,645** |
| **TOTAL LIABILITIES** | **11,370** | **10,731** |
| **Net asset** |  |  |
| Own fund allocated | 12,528 | 4,745 |
| IPSAS cumulated deficit (statistic) | 7,835 | 3,948 |
| **TOTAL LIABILITIES** | **20,363** | **8,693** |

ANNEX B3

Staff Superannuation and Benevolent Funds - See Note 2

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Statement of financial performance for the 2020 period with 2019 comparative figures** | | | | |
|  | **Reserve and Complement fund** | | **Assistance fund** | |
|  | CHF | | CHF | |
|  | 2020 | 2019 | 2020 | 2019 |
| EXPENSES |  |  |  |  |
|  |  |  |  |  |
| Pensions | 16,864.80 | 16,864.80 | - | - |
| Donations |  |  |  |  |
| Finance expenses | 143.17 |  | 329.86 |  |
| Other finance expenses | 413,434.15 |  | - | - |
| **TOTAL EXPENSES** | **430,442.12** | **16,864.80** | 329.86 | - |
|  |  |  |  |  |
| REVENUE |  |  |  |  |
|  |  |  |  |  |
| Investment interests | 24,992.39 | - | - | - |
| Other finance revenue | 4,315.15 | - | - | - |
|  |  |  |  |  |
| **TOTAL REVENUS** | **16,864.80** | **16,864.80** | - | - |
| **Surplus/deficit for the period** | **-401,134.58** | **-16,864.80** | **-329.86** |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Statement of financial situation at 31 December 2020 with 31 December 2019 comparative figures** | | | | |
|  | **Reserve and Complement fund** | | **Assistance fund** | |
|  | CHF | | CHF | |
|  | 2020 | 2019 | 2020 | 2019 |
| ASSETS |  |  |  |  |
| Cash and cash equivalent | 357,712.96 | 6,236,867.40 | 277,580.84 | 277,580.84 |
| Funds to receive | - | -16,864.80 |  |  |
| Investments | 5,436,013.59 | - |  |  |
| Transitory Assets | 25,254.81 | - | - | - |
| **TOTAL ASSETS** | **5,818,981.36** | **6,220,002.60** | **277,580.84** | **277,580.84** |
| LIABILITIES |  |  |  |  |
| Employee benefits | 54,000.00 | 54,000.00 |  |  |
| Transitory Liabilities | 113,34 |  | 141.77 |  |
| **TOTAL LIABILITIES** | 54,113.34 | 54,000 | 141.77 | - |
| **NET ASSETS** |  |  |  |  |
| Own fund allocated | 6,166,002.60 | 6,166,002.60 | 277,580.84 | 277,580.84 |
| Surplus/deficit for the period | 7,984.42 |  | -329.86 |  |
| Cumulated IPSAS result | -409,119 | - |  |  |
| **TOTAL** | **5,764,868.02** | **6,220,002.60** | **277,250.98** | **277,580.84** |

ANNEX B4

Trust Funds (unused appropriations) – See Note 20







Trust Funds (unused appropriations) (*cont’d*)







Trust Funds (unused appropriations) (end)





**ANNEX B5**

Voluntary contributions – in Swiss francs – See Note 20







**Voluntary contributions (*cont’d*)**





**Voluntary contributions (*cont’d*)**





**Voluntary contributions (end)**



ANNEX B6

Information and Communication Technology Development Fund (ICTDF) – in Swiss francs - See Note 20

**Changes in the ICT Capital Fund**

|  |  |  |  |
| --- | --- | --- | --- |
| **Decrease** | **2019** | **Increase** | **2019** |
|  |  |  |  |
| Financing of Projects | 123,589.00 | Contributions 2019 | - |
|  |  |  |  |
| Administrative expenses | 38.79 | Interest | 70,719.02 |
|  |  |  |  |
| Reversal revaluation 2018 | 98,361.00 | Interest transferred from trust fund | 42,544.46 |
|  |  |  |  |
|  |  | Transfer of balances from closed ICTDF projects | 269,612.95 |
|  |  |  |  |
|  |  | Revaluation 2019 | 108,727.04 |
|  |  |  |  |
| Surplus revenue | 269,614.68 |  |  |
|  |  |  |  |
|  | 491,603.47 |  | 491,603.47 |
|  |  |  |  |
|  |  |  |  |

ANNEX B7

**ITU TELECOM WORLD 2020**



ANNEX C

**Situation of Arrears at 31 December 2020**

**Amounts due in respect of contributions and publications**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **A. Member States of the Union** | **Year** | **Contribution** | **Publications** | **Total** |
|  |  |  |  |  |
| Antigua and Barbuda | 1987-2019 | 2,181,931.95 | 43,574.90 | 2,225,506.85 |
| Brazil | 2018-2019 | 60,980.80 | 0.00 | 60,980.80 |
| Cameroon | 2014-2019 | 703,561.22 | 0.00 | 703,561.22 |
| Chad | 2017-2019 | 46,447.50 | 0.00 | 46,447.50 |
| Comoros | 2019 | 21,857.50 | 0.00 | 21,857.50 |
| Cuba | 2016-2019 | 95,134.59 | 0.00 | 95,134.59 |
| Dem. Rep. of the Congo | 2017-2019 | 47,036.55 | 0.00 | 47,036.55 |
| Dominica | 2001-2019 | 556,981.70 | 0.00 | 556,981.70 |
| Equatorial Guinea | 2018-2019 | 90,053.10 | 0.00 | 90,053.10 |
| Eritrea | 2017-2019 | 45,708.80 | 0.00 | 45,708.80 |
| Ethiopia | 2017-2019 | 45,599.50 | 0.00 | 45,599.50 |
| Gambia | 2019 | 43,715.10 | 0.00 | 43,715.10 |
| Guinea | 2014-2019 | 271,298.22 | 90.20 | 271,388.42 |
| Honduras | 2019 | 52,615.45 | 0.00 | 52,615.45 |
| Iran | 2016-2019 | 79,660.45 | 0.00 | 79,660.45 |
| Libya | 2014-2019 | 2,095,568.95 | 0.00 | 2,095,568.95 |
| Marshall Islands | 2017-2019 | 32,528.98 | 0.00 | 32,528.98 |
| Mozambique | 2018-2019 | 45,026.45 | 0.00 | 45,026.45 |
| Nauru | 1991-2019 | 1,814,517.15 | 0.00 | 1,814,517.15 |
| Nepal | 2013-2019 | 10,402.45 | 42.00 | 10,444.45 |
| Nicaragua | 2015-2019 | 492,851.85 | 0.00 | 492,851.85 |
| Nigeria | 2019 | 19,610.00 | 0.00 | 19,610.00 |
| Pakistan | 2017-2019 | 532,590.42 | 0.00 | 532,590.42 |
| Peru | 2014-2017 | 7,572.35 | 0.00 | 7,572.35 |
| Tunisia | 2015-2019 | 21,648.70 | 0.00 | 21,648.70 |
| Vanuatu | 2014-2019 | 60,261.22 | 0.00 | 60,261.22 |
| Venezuela | 2013-2019 | 1,563,999.79 | 0.00 | 1,563,999.79 |
|  |  | 11,039,160.74 | 43,707.10 | 11,082,867.84 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **B. Sector Members and other entities** | **Year** | **Contributions** | **Publications** | **Total** |
|  |  |  |  |  |
| **Algeria** |  |  |  |  |
| - Centre de dévelop. des tech. avancées, Alger | 2015 | 2,759.45 | 0.00 | 2,759.45 |
| - Institut National de la Poste et des Technologies de l'Information et de la Comm., Alger | 2012-2013 | 3,661.45 | 0.00 | 3,661.45 |
| - Wataniya Telecom Algérie Spa, Alger | 2005-2007 | 8,922.90 | 0.00 | 8,922.90 |
| **Australia** |  |  |  |  |
| - NewSat Limited Pty. Ltd., Sydney | 2015 | 5,300.10 | 0.00 | 5,300.10 |
| **Bahamas** |  |  |  |  |
| - Bahamas Telecommunications Company, Nassau | 2018-2019 | 75,570.45 | 0.00 | 75,570.45 |
| **Bahrain** |  |  |  |  |
| - Arab Regional Isps Association (ARISPA), Manama | 2009 | 7,828.75 | 0.00 | 7,828.75 |
| - Gateway Gulf LLC, Manama | 2010 | 7,385.60 | 0.00 | 7,385.60 |
| **Bangladesh** |  |  |  |  |
| - Daffodil International University, Dhaka | 2019 | 2,185.75 | 0.00 | 2,185.75 |
| **Burundi** |  |  |  |  |
| - Econet Leo SA, Bujumbura | 2019 | 4,500.00 | 0.00 | 4,500.00 |
| - Office nationale des télécomm. du Burundi, Bujumbura | 2015-2019 | 4,532.45 | 0.00 | 4,532.45 |
| **Burkina Faso** |  |  |  |  |
| - ONATEL, Ouagadougou | 2019 | 4,371.50 | 0.00 | 4,371.50 |
| **China (People's Rep. of)** |  |  |  |  |
| - PCCW Limited, Hong Kong | 2002-2006 | 1,139,320.20 | 0.00 | 1,139,320.20 |
| **Colombia** |  |  |  |  |
| - Universidad ICESI, Cali | 2019 | 2,185.75 | 0.00 | 2,185.75 |
| **Costa Rica** |  |  |  |  |
| - Universidad de Costa Rica, San José | 2017 | 2,455.90 | 0.00 | 2,455.90 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
| **B. Sector Members and other entities** | **Year** | **Contributions** | **Publications** | **Total** |
| **Côte d'Ivoire** |  |  |  |  |
| - Associat. des Consommat. de Télécomm., Abidjan | 2007-2008 | 9,223.95 | 0.00 | 9,223.95 |
| - Côte d'Ivoire Telecom, Abidjan | 2002-2006 | 875,870.00 | 0.00 | 875,870.00 |
| - VALSCH Consulting, Abidjan | 2019 | 4,762.00 | 0.00 | 4,762.00 |
| **Egypt** |  |  |  |  |
| - Barkotel Communications, Cairo | 2002-2006 | 49,893.10 | 0.00 | 49,893.10 |
| - Egypt-Japan University of Science and Technology, Alexandria | 2019 | 2,185.75 | 0.00 | 2,185.75 |
| - LINKdoNET, Cairo | 2008-2009 | 7,950.65 | 0.00 | 7,950.65 |
| - Orange Egypt, Cairo | 2018-2019 | 2,259.60 | 0.00 | 2,259.60 |
| - Telecom Consultants, Cairo | 2002-2006 | 52,108.95 | 0.00 | 52,108.95 |
| - Trade Fairs International, Cairo | 2000-2006 | 68,599.90 | 0.00 | 68,599.90 |
| **Equatorial Guinea** |  |  |  |  |
| - GETESA, Malabo | 2016-2018 | 2,138.72 | 0.00 | 2,138.72 |
| **Fiji** |  |  |  |  |
| - South Pacific Commission, Suva | 2012-2013 | 6,233.55 | 0.00 | 6,233.55 |
| **Finland** |  |  |  |  |
| - Octagon Telecom Oy (Ex. Oy Cubio Communications Ltd.), Helsinki | 2012-2013 | 14,406.65 | 0.00 | 14,406.65 |
| **France** |  |  |  |  |
| - LegalBox, Paris | 2016-2017 | 17,217.13 | 0.00 | 17,217.13 |
| - PMI Conseil, Luynes | 2018 | 9,267.65 | 0.00 | 9,267.65 |
| **Ghana** |  |  |  |  |
| - Regional Maritime University, Accra | 2012 | 2,495.16 | 0.00 | 2,495.16 |
| **Honduras** |  |  |  |  |
| - UNITEC, Tegucigalpa | 2012 | 3,286.55 | 0.00 | 3,286.55 |
| **Hungary** |  |  |  |  |
| - Budapest University of Technology and Economics, Budapest | 2017-2019 | 4,605.35 | 0.00 | 4,605.35 |
| - MCNTelecom, Budapest (Ex. Tel2tel Kft.) | 2017 | 13,098.20 | 0.00 | 13,098.20 |
|  |  |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **B. Sector Members and other entities** | **Year** | **Contributions** | **Publications** | **Total** |
| **India** |  |  |  |  |
| - Amity Institute of Telecom Eng., Noida | 2017 | 2,455.90 | 0.00 | 2,455.90 |
| - Bharat Sanchar Nigam Ltd. (BSNL), New Delhi | 2017-2019 | 74,416.30 | 0.00 | 74,416.30 |
| - Centre for Internet and Society, Bangalore | 2014-2015 | 5,542.45 | 0.00 | 5,542.45 |
| - HRM Inst. of Tech. & Management, New Delhi | 2016-2018 | 2,391.45 | 0.00 | 2,391.45 |
| - Luna Ergonomics Pvt. Ltd., Noida | 2011 | 6,967.55 | 0.00 | 6,967.55 |
| - Raitel Corporation of India Ltd., New Delhi | 2013 | 6,201.10 | 0.00 | 6,201.10 |
| - Sinhgad Tech. Education Society, Pune | 2011-2012 | 4,685.70 | 0.00 | 4,685.70 |
| - Tata Communications Ltd., New Delhi | 2013 | 6,201.10 | 0.00 | 6,201.10 |
| - Telecommunications Consultants, New Delhi | 2006-2007 | 144,963.35 | 0.00 | 144,963.35 |
| - Vihaan Networks Ltd., Gurgaon | 2013 | 55,809.60 | 0.00 | 55,809.60 |
| **Iran** |  |  |  |  |
| - Iranian Net Communications & Electronic Services Co., Tehran | 2019 | 2,185.75 | 0.00 | 2,185.75 |
| **Israel** |  |  |  |  |
| - IP Light, Petach Tikva | 2017 | 13,098.20 | 0.00 | 13,098.20 |
| - JpU Io. Ltd., Petach Tikva | 2019 | 3,885.78 | 0.00 | 3,885.78 |
| - TangoTec, Il Haifa | 2015-2016 | 11,880.85 | 0.00 | 11,880.85 |
| **Italy** |  |  |  |  |
| - Aethra S.p.A., Palombina | 2007-2008 | 35,276.45 | 0.00 | 35,276.45 |
| - ComProve Technologies SpA | 2018 | 4,118.93 | 0.00 | 4,118.93 |
| **Jordan** |  |  |  |  |
| - Jordan Mobile Telecomm., Amman | 2016 | 5,206.55 | 0.00 | 5,206.55 |
| - Middle East Communications (MEC), Amman | 2008-2009 | 7,859.85 | 0.00 | 7,859.85 |
| - Talal Abu-Ghazaleh & Co., Amman | 2006-2007 | 18,120.60 | 0.00 | 18,120.60 |
| **Kazakhstan** |  |  |  |  |
| - Kazakh Academy of Transp. & Comm., Almaty | 2008-2009 | 8,537.65 | 0.00 | 8,537.65 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **B. Sector Members and other entities** | **Year** | **Contributions** | **Publications** | **Total** |
| **Kenya** |  |  |  |  |
| **-** Intersat Africa Limited, Nairobi | 2010-2012 | 6,779.10 | 0.00 | 6,779.10 |
| - Telcom Kenya Limited, Nairobi | 2005-2007 | 372,653.00 | 0.00 | 372,653.00 |
| **Korea (Rep. of)** |  |  |  |  |
| - Ericsson-LG, Anyang-Shi | 2013-2014 | 15,688.55 | 0.00 | 15,688.55 |
| - Graduate School of Public Administration, Seoul National University, Seoul | 2019 | 2,185.75 | 0.00 | 2,185.75 |
| - National Information Society Agency (NIA), Seoul | 2019 | 4,161.45 | 0.00 | 4,161.45 |
| **Kuwait** |  |  |  |  |
| - The Arabian Business Franchise, Hawalli | 2006-2007 | 18,120.60 | 0.00 | 18,120.60 |
| **Kyrgyzstan** |  |  |  |  |
| - Kyrgyztelecom OJSC, Bishkek | 2016-2017 | 7,253.15 | 0.00 | 7,253.15 |
| **Lebanon** |  |  |  |  |
| - Arabcom Hitek, Beirut | 2001-2006 | 64,433.35 | 0.00 | 64,433.35 |
| - ExiCon International Group, Beirut | 2010-2011 | 7,003.10 | 0.00 | 7,003.10 |
| - MNT/Investcom LLC, Beirut | 2008 | 8,298.50 | 0.00 | 8,298.50 |
| - Telecommunications Regulatory Authority, Beirut | 2019 | 74,315.60 | 0.00 | 74,315.60 |
| **Liberia** |  |  |  |  |
| - West Africa Telecomm. Inc., Monrovia | 2007 | 8,796.40 | 0.00 | 8,796.40 |
| **Libya** |  |  |  |  |
| - Libyana Mobile Phone Company, Tripoli | 2010-2012 | 156,592.40 | 0.00 | 156,592.40 |
| **Luxembourg** |  |  |  |  |
| - Luxembourg Space Telecomm, Luxembourg | 2018 | 37,070.35 | 0.00 | 37,070.35 |
| **Mali** |  |  |  |  |
| - Orange Mali SA, Bamako | 2018 | 3,003.85 | 0.00 | 3,003.85 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **B. Sector Members and other entities** | **Year** | **Contributions** | **Publications** | **Total** |
| **Mauritania** |  |  |  |  |
| - Agence de Promotion de l'Accès Universel aux Services (APAUS), Nouakchott | 2012 | 6,573.15 | 0.00 | 6,573.15 |
| - Chinguitel SA, Nouakchott | 2013-2015 | 5,566.65 | 0.00 | 5,566.65 |
| - Société mauritanienne des télécommunications (MAURITEL S.A.), Nouakchott | 2008 | 74,685.85 | 0.00 | 74,685.85 |
| **Mexico** |  |  |  |  |
| - CANITEC, Mexico | 2011-2013 | 6,379.95 | 0.00 | 6,379.95 |
| - Colegio de Ing. Mecánico Electricistas A.C., Mexico | 2018 | 2,316.90 | 0.00 | 2,316.90 |
| **Netherlands** |  |  |  |  |
| - Smitcoms N.V., St. Maarten | 2004-2007 | 612,530.80 | 0.00 | 612,530.80 |
| **Pakistan** |  |  |  |  |
| - CMPak Limited, Islamabad | 2015 | 2,759.45 | 0.00 | 2,759.45 |
| - e Worlwide Group, Islamabad | 2011-2013 | 6,280.60 | 0.00 | 6,280.60 |
| - Paktel Limited, Islamabad | 2007 | 8,796.40 | 0.00 | 8,796.40 |
| **Philippines** |  |  |  |  |
| - Globe Telecom, Mandaluyong City | 2019 | 34,972.05 | 0.00 | 34,972.05 |
| - PhilCom, Makati City | 2007-2009 | 7,952.65 | 0.00 | 7,952.65 |
| **Republic of Rwanda** |  |  |  |  |
| - Univ. of Rwanda, College and Tech., Kigali | 2016 | 2,169.40 | 0.00 | 2,169.40 |
| **Romania** |  |  |  |  |
| - Polytechnic School Bucharest, Bucharest | 2009-2010 | 7,478.90 | 0.00 | 7,478.90 |
| **Russian Federation** |  |  |  |  |
| - IRPO ACISO, Moscow | 2013-2014 | 5,540.05 | 0.00 | 5,540.05 |
| - Mobix Chip LLC, Moscow | 2013-2014 | 15,664.70 | 0.00 | 15,664.70 |
| - National Telemedicine Agency, Moscow | 2012 | 4,929.85 | 0.00 | 4,929.85 |
| **Saudi Arabia** |  |  |  |  |
| - Electronia, Ltd., Al Khubar | 2008-2010 | 7,406.30 | 0.00 | 7,406.30 |
| - Tuwaiq Communications Company, Riyadh | 2008-2009 | 83,580.20 | 0.00 | 83,580.20 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **B. Sector Members and other entities** | **Year** | **Contributions** | **Publications** | **Total** |
| **Senegal** |  |  |  |  |
| - Le Consortium du Service Universel (CSU), Dakar Medina | 2019 | 8,743.05 | 0.00 | 8,743.05 |
| **Somalia** |  |  |  |  |
| - Telcom Somalia, Mogadishu | 2005-2007 | 18,820.30 | 0.00 | 18,820.30 |
| **South Africa** |  |  |  |  |
| - Cell C (Pty) Ltd., Benmore | 2004-2007 | 585,554.00 | 0.00 | 585,554.00 |
| **Sudan** |  |  |  |  |
| - Garden City College for Science & Technology, Khartoum | 2013-2014 | 3,745.55 | 0.00 | 3,745.55 |
| - Open University of Sudan, Khartoum | 2013-2014 | 3,745.55 | 0.00 | 3,745.55 |
| - Pulse Company Ltd., Khartoum | 2016 | 5,206.55 | 0.00 | 5,206.55 |
| - University of Khartoum, Khartoum | 2013-2014 | 3,745.55 | 0.00 | 3,745.55 |
| **Sweden** |  |  |  |  |
| - GlobeTouch AB, Stockholm | 2016 | 13,884.10 | 0.00 | 13,884.10 |
| **Switzerland** |  |  |  |  |
| - Ascom Network Testing AG, Solothurn | 2018 | 11,657.35 | 0.00 | 11,657.35 |
| **Thailand** |  |  |  |  |
| - Chulalongkorn University, Faculty of Engineering, Bangkok | 2019 | 2,185.75 | 0.00 | 2,185.75 |
| **Tunisia** |  |  |  |  |
| - Agence Tunisienne d'Internet (ATI), Tunis | 2018-2019 | 14,392.25 | 0.00 | 14,392.25 |
| - Ecole Nationale d'Ingénieurs de Tunis, Tunis | 2011-2012 | 12,540.94 | 0.00 | 12,540.94 |
| - Ecole Supérieure des Communications de Tunis (Sup'Com), Tunis | 2017-2018 | 2,391.10 | 0.00 | 2,391.10 |
| - Orascom Telecom Tunisie, Tunis | 2013 | 6,201.10 | 0.00 | 6,201.10 |
| - Prisma, Tunis | 2015-2018 | 12,706.60 | 0.00 | 12,706.60 |
| - Telnet Technocentre, Tunis | 2012-2017 | 13,973.55 | 0.00 | 13,973.55 |
| **Ukraine** |  |  |  |  |
| - Ukrainian National Information Systems, Kiev | 2014-2015 | 22,793.39 | 0.00 | 22,793.39 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **B. Sector Members and other entities** | **Year** | **Contributions** | **Publications** | **Total** |
| **United Arab Emirates** |  |  |  |  |
| - Teralight FZ LLC, Dubai | 2016 | 5,206.55 | 0.00 | 5,206.55 |
| **United Kingdom of Great Britain and Northern Ireland** |  |  |  |  |
| - KRE Corporate Recovery LLP (Ex. ICO Satellite Limited), Berks | 2012-2013 | 26,815.50 | 0.00 | 26,815.50 |
| - Malden Electronics, Ewell | 2016 | 13,884.10 | 0.00 | 13,884.10 |
| - Tinklabs Limited, London | 2018 | 10,685.92 | 0.00 | 10,685.92 |
| **United States of America** |  |  |  |  |
| - Actiontec Electronics, Inc., Sunnyvale | 2008 | 22,129.15 | 0.00 | 22,129.15 |
| - Animatele Inc., New York | 2011 | 18,580.05 | 0.00 | 18,580.05 |
| - AOL, New York | 2002-2003 | 226,220.50 | 0.00 | 226,220.50 |
| - Applied Micro Circuits Corporation, Andover | 2017 | 39,294.55 | 0.00 | 39,294.55 |
| - Compuware Corporation, Detroit | 2009-2010 | 14,950.15 | 0.00 | 14,950.15 |
| - ConceroConnect, L3C, Park City | 2015 | 11,037.90 | 0.00 | 11,037.90 |
| - Conversay, Redmond | 2007-2008 | 89,180.35 | 0.00 | 89,180.35 |
| - Covad Communications Company, San José | 2001-2002 | 141,672.25 | 0.00 | 141,672.25 |
| - Cypress Semiconductor Corp., San José | 2004-2005 | 42,458.25 | 0.00 | 42,458.25 |
| - E-MAC Corporation, Arlington | 2005-2007 | 53,930.30 | 0.00 | 53,930.30 |
| - eCurrency, Oakland | 2018-2019 | 35,059.50 | 0.00 | 35,059.50 |
| - Ellipsat Inc., Washington | 2018 | 9,627.30 | 0.00 | 9,627.30 |
| - EnVerv Inc., Milpitas | 2015 | 14,717.15 | 0.00 | 14,717.15 |
| - Graphnet Inc., New York | 1987-2002 | 1,640,896.05 | 0.00 | 1,640,896.05 |
| - Ikanos Communications, Red Bank NJ | 2016 | 41,652.20 | 0.00 | 41,652.20 |
| - ITXC Corporation, Princeton | 2004-2007 | 76,566.40 | 0.00 | 76,566.40 |
| - Lightwaves Inc., Austin | 2009 | 20,876.55 | 0.00 | 20,876.55 |
| - Nextwave Wireless Inc., San Diego | 2009 | 35,213.45 | 0.00 | 35,213.45 |
| - NICE InContact, Sandy-Utah | 2019 | 11,794.40 | 0.00 | 11,794.40 |
| - Nortel Networks USA, Richardson | 2009 | 29,812.50 | 0.00 | 29,812.50 |
| - nVent Electric, Solon OH | 2018 | 12,356.80 | 0.00 | 12,356.80 |
| - Ossia Inc., Bellevue WA | 2017-2018 | 37,372.90 | 0.00 | 37,372.90 |
| - Range Networks, Inc., Santa Clara | 2013-2014 | 15,646.60 | 0.00 | 15,646.60 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **B. Sector Members and other entities** | **Year** | **Contributions** | **Publications** | **Total** |
| **United States of America** |  |  |  |  |
| - Razoom Inc., Palo Alto | 2010 | 19,694.85 | 0.00 | 19,694.85 |
| - Space Systems Loral, Palo Alto | 2019 | 11,657.35 | 0.00 | 11,657.35 |
| - Tektronix, Inc., Beaverton | 2017-2019 | 12,280.95 | 0.00 | 12,280.95 |
| - The Village Group Inc., Waltham | 2007-2008 | 16,633.90 | 0.00 | 16,633.90 |
| - Toda Network Corporation, San Francisco | 2019 | 5,828.70 | 0.00 | 5,828.70 |
| - UTStarcom, Inc., Fremont | 2004-2010 | 66,481.85 | 0.00 | 66,481.85 |
| - Visible Energy Inc., Palo Alto | 2010 | 18,053.00 | 0.00 | 18,053.00 |
| - Vocal Technologies Ltd., Amherst | 1998-2002 | 474,989.70 | 0.00 | 474,989.70 |
| - Xerox Ltd., Washington | 2004-2007 | 90,261.10 | 0.00 | 90,261.10 |
| **Uzbekistan** |  |  |  |  |
| - Tashkent University of Information Technologies, Tashkent | 2014 | 2,925.00 | 0.00 | 2,925.00 |
| **Venezuela** |  |  |  |  |
| - CANTV, Caracas | 2018-2019 | 88,092.65 | 0.00 | 88,092.65 |
| **Zambia** |  |  |  |  |
| - Airtel Zambia, Lusaka | 2014 | 95,072.30 | 0.00 | 95,072.30 |
| **Zimbabwe** |  |  |  |  |
| - Econet Wireless (PVT) Ltd., Harare | 2018-2019 | 9,172.35 | 0.00 | 9,172.35 |
| - NetOne Cellular Ltd., Harare | 2003-2006 | 351,715.18 | 0.00 | 351,715.18 |
| - TelOne (Pvt) Limited, Harare | 2016-2018 | 80,282.40 | 0.00 | 80,282.40 |
| - University of Zimbabwe, Harare | 2008-2009 | 25,209.85 | 0.00 | 25,209.85 |
| **Resolution 99 (Rev. Dubai, 2018)** |  |  |  |  |
| - BCI Communicat. & Advanced Tech., Ramallah | 2007-2008 | 10,418.25 | 0.00 | 10,418.25 |
| - Palestine Technical University, Tulkarem | 2019 | 2,185.75 | 0.00 | 2,185.75 |
|  |  | 9,339,206.35 | 0.00 | 9,339,206.35 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **C. Other Debtors** | **Year** | **Contributions** | **Publications** | **Total** | |
|  |  |  |  |  | |
| - C & C Marine Combine, Mumbay | 2017 | 0.00 | 50,378.20 | 50,378.20 | |
|  |  | 0.00 | 50,378.20 | 50,378.20 | |
| **D. Other Miscellaneous Debtors\*** |  | 45,297.49 | 3,085.00 | 48,382.49 | |
|  |  |  |  |  | |
| **Total at 31.12.2020** |  | 20,423,664.58 | 97,170.30 | 20,520,834.88 | |
| \* Includes debtors with amounts below CHF 5 000 for Member States of the Union and CHF 2000 for Sector Members, other | | | | |
| entities or organizations and other debtors. |

**Amounts due in respect of special arrears accounts (repayment agreements)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Member States - Sector Members/** | **PP Resolutions** | **Transfer to** | **Balance at** | **Movements** | **Interest/ Write off** | **Payments** | **Balance at** |
| **Companies** |  | **Special Arrears** | **31.12.2019** | **2020** | **2020** | **2020** | **31.12.2020** |
|  |  | **Account** |  |  |  |  |  |
| **Member States** |  |  |  |  |  |  |  |
| Sudan | Res. 38 PP 1989 | 567,047.95 | 6,028.45 | 0.00 | 0.00 | 0.00 | 6,028.45 |
| Tajikistan | Res. 41 - 2011 | 745,617.40 | 511,822.30 | 0.00 | 0.00 | 0.00 | 511,822.30 |
| Central African Republic | Res. 41 - 2014 | 159,474.68 | 109,952.30 | -109,952.30 | 0.00 | 0.00 | 0.00 |
| Somalia | Res. 41 - 2017 | 2,281,017.16 | 2,093,262.73 | -2,093,262.73 | 0.00 | 0.00 | 0.00 |
| Congo (Rep. of the) | Res. 41 - 2018 | 1,730,027.81 | 1,561,500.97 | 0.00 | 0.00 | -84,263.42 | 1,477,237.55 |
| Gabon | Res. 41 - 2018 | 343,052.55 | 267,633.89 | -267,633.89 | 0.00 | 0.00 | 0.00 |
| Liberia | Res. 41 - 2020 | 4,833,356.64 | 0.00 | 4,833,356.64 | 0.00 | -116,062.08 | 4,717,294.56 |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Total at 31 December 2020** |  | **10,659,594.19** | **4,550,200.64** | **2,362,507.72** | **0.00** | **-200,325.50** | **6,712,382.86** |

**AMOUNTS DUE IN RESPECT OF CANCELLED SPECIAL ARREARS ACCOUNTS**

**(REPAYMENT AGREEMENTS CANCELLED FOR NON PAYMENT)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Member States - Sector Members/** | **PP Resolutions** | **Transfer to Canc.** | **Balance at** | **Movements** | **Interest** | **Payments** | **Balance at** |
| **Companies** |  | **Special Arrears** | **31.12.2019** | **2020** | **2020** | **2020** | **31.12.2020** |
|  |  | **Account** |  |  |  |  |  |
| **Member States** |  |  |  |  |  |  |  |
| Nicaragua | Res. 41 - 2016 | 1,462,488.98 | 1,846,068.38 | 0.00 | 110,764.10 | 0.00 | 1,956,832.48 |
| Equatorial Guinea | Res. 41 - 2018 | 118,043.75 | 125,126.40 | 0.00 | 7,507.60 | 0.00 | 132,634.00 |
| Comoros | Res. 41 - 2019 | 210,094.66 | 210,094.66 | 0.00 | 12,605.70 | 0.00 | 222,700.36 |
| Gambia | Res. 41 - 2019 | 255,414.83 | 255,414.83 | 0.00 | 15,324.90 | 0.00 | 270,739.73 |
| Guinea-Bissau | Res. 41 - 2019 | 4,416,613.50 | 4,416,613.50 | 0.00 | 264,996.80 | 0.00 | 4,681,610.30 |
| Liberia | Res. 41 - 2019 | 4,769,016.24 | 4,792,861.34 | -4,792,861.34 | 0.00 | 0.00 | 0.00 |
| Sierra Leone | Res. 41 - 2019 | 2,731,266.28 | 2,731,266.28 | 0.00 | 163,876.00 | 0.00 | 2,895,142.28 |
| Central African Republic | Res. 41 - 2020 | 109,952.30 | 0.00 | 109,952.30 | 1,630.95 | 0.00 | 111,583.25 |
| Gabon | Res. 41 - 2020 | 267,633.89 | 0.00 | 267,633.89 | 2,676.35 | 0.00 | 270,310.24 |
| Somalia | Res. 41 - 2020 | 2,093,262.73 | 0.00 | 2,093,262.73 | 31,050.05 | 0.00 | 2,124,312.78 |
|  |  |  |  |  |  |  |  |
| **Sector Members/Companies** |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| TIT, Lebanon | Res. 41 - 2008 | 25,000.00 | 47,457.35 | 0.00 | 2,847.45 | 0.00 | 50,304.80 |
| Cameroon Telecomm., Cameroon | Res. 41 - 2014 | 149,588.50 | 179,512.90 | 0.00 | 10,770.80 | 0.00 | 190,283.70 |
| Ellipsat Inc., United States | Res. 41 - 2015 | 27,865.90 | 31,310.10 | 0.00 | 1,878.60 | 0.00 | 33,188.70 |
| Apprentissages sans Frontières, Switzerland | Res. 41 - 2016 | 6,658.15 | 8,167.90 | 0.00 | 490.10 | 0.00 | 8,658.00 |
|  |  |  |  |  |  |  |  |
| **Total at 31 December 2020** |  | **16,642,899.71** | **14,643,893.64** | **-2,322,012.42** | **626,419.40** | **0.00** | **12,948,300.62** |

**AMOUNTS DUE IN RESPECT OF INVOICES ESTABLISHED FOR SATELLITE NETWORK FILINGS**

|  |  |  |  |
| --- | --- | --- | --- |
| **Notifying Administration** | **Operating Entity** | **Year** | **Amount due in CHF** |
| **China** | Radio Regulatory Department (RRD), Ministry of Information Industry | 2019 | 106.60 |
|  |  |  |  |
| **Nigeria** | Federal Ministry of Communication Technology, Abuja | 2012 | 2,440.40 |
|  |  |  |  |
| **Russian Federation** | EA SAT Closed Joint Stock Company, Moscow | 2014 | 104,722.40 |
|  |  |  |  |
| **United States of America** | Intelsat US LLC, Mclean | 2019 | 39.35 |
|  | Leading Technologies, LLC, Washingtom | 2008-2009 | 144,486.50 |
|  | New Mexico Tech., Socorro | 2018 | 570.00 |
|  | Space AI, Incorporated, San Francisco | 2019 | 583.60 |
|  | Steptoe & Johnson LLP, Washington | 2017 | 72.85 |
| **Total Arrears at 31.12.2020** |  |  | **253,021.70** |
|  |  |  |  |
| **AMOUNTS DUE IN RESPECT OF MISCELLANEOUS INVOICES** | | | |
|  |  |  |  |
| **Country** | **Entity** | **Year** | **Amount due** |
|  |  |  | **in CHF** |
| **Saudi Arabia** | Saudi Telecom, Riyadh | 2010 | 62,560.00 |
|  |  |  |  |
| **Total Arrears at 31.12.2020** |  |  | **62,560.00** |

**AMOUNTS DUE IN RESPECT OF UNIVERSAL INTERNATIONAL FREEPHONE NUMBER (UIFN)**

|  |  |  |  |
| --- | --- | --- | --- |
| **AMOUNTS DUE IN RESPECT OF UNIVERSAL INTERNATIONAL FREEPHONE NUMBERS (UIFN)** | | | |
| **Country** | **Entity** | **Year** | **Amount due in CHF** |
| BRAZIL | Intelig Telecomunicações Ltda., Rio de Janeiro | 2018 | 100.00 |
| CHINA | HKBN Enterprise Solutions, Hong Kong | 2018 | 400.00 |
| COLOMBIA | Telefónica S.A., Bogotá | 2018 | 500.00 |
| ESTONIA | Elion Ettevotted AS, Tallinn | 2018 | 200.00 |
| FRANCE | Altice France, Paris | 2018 | 200.00 |
| GERMANY | Telepassport Service GMBH, Buedelsdorf | 2018 | 100.00 |
| GREECE | OTEGLOBE S.A., Maroussi | 2019 | 400.00 |
| HONDURAS | Empresa Hondureña de Telecom., Tegucigalpa | 2018 | 100.00 |
| IRELAND | Eircom Limited, Dublin | 2019 | 55,800.00 |
| ISRAEL | Bezeq International Ltd., Petach-Tikva | 2018 | 11,200.00 |
| ITALY | Eutelia S.p.A., Arezzo | 2018 | 1,000.00 |
| LATVIA | SIA LATTELEKOM, Riga | 2018 | 100.00 |
| NETHERLANDS | MTTM - Qupra Wholesale, Amsterdam | 2019 | 300.00 |
| NEW ZEALAND | Vodafone New Zealand LTD., Auckand | 2018 | 100.00 |
| PERU | Telefónica del Perú S.A.A., Lima | 2018 | 300.00 |
| SPAIN | Telecable de Asturias SA, Oviedo | 2018 | 100.00 |
| SWEDEN | Tele 2 AB, Kista | 2018 | 900.00 |
| UNITED KINGDOM | KCOM, London | 2018 | 500.00 |
|  | PTGI International Carrier Services Ltd., London | 2018 | 300.00 |
| UNITED STATES | ComoreTel Holdings Ltd., Omaha, Nebraska | 2019 | 100.00 |
|  | International Telecom Ltd., Seatle | 2018 | 5,600.00 |
| **Total at 31.12.2020** |  |  | **78,300.00** |

|  |  |  |
| --- | --- | --- |
| **SUMMARY: SITUATION OF ARREARS AT 31.12.2020** | | |
|  |  |  |
| **AMOUNTS DUE** |  | **Swiss Francs** |
| Contributions |  | **20,423,664.58** |
| Publications |  | **97,170.30** |
| Satellite Network Filings (SNF) | | **253,021.70** |
| Miscellaneous Invoices |  | **62,560.00** |
| Universal International Freephone Number (UIFN) | | **78,300.00** |
| Special Arrears Accounts (Repayment Agreements) | | **6,712,382.86** |
| Cancelled Special Arrears Accounts (Repayment Agreements Cancelled for non-payment) | | **12,948,300.62** |
| **TOTAL ARREARS** |  | **40,575,400.06** |

ANNEX D

List of debtors at 31 December 2020 for closed ITU TELECOM events

(This list does not take into account payments received after 31.12.2020)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Event** | **Country** | **Company** | **Amount invoiced** | **Payment received** | **Balance due** |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| AFT08 | South Africa | MPCELL (Pty) Ltd. | 3,690.00 | 0.00 | 3,690.00 |
| AFT08 | Canada | Broad Connect Telecom Ltd. | 14,760.00 | 5,850.00 | 8,910.00 |
| AFT08 | China | SipRing Telecommunication | 8,200.00 | 0.00 | 8,200.00 |
| AFT08 | Côte d'Ivoire | Apex Technologies | 7,380.00 | 0.00 | 7,380.00 |
| AFT08 | Lebanon | Splendor | 12,300.00 | 0.00 | 12,300.00 |
|  |  |  |  |  |  |
| **AFT08** |  |  |  |  | **40,480.00** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Event** | **Country** | **Company** | **Amount invoiced** | **Payment received** | **Balance due** |
|  |  |  |  |  |  |
| TLC 2006 | China | American Consulate Hong Kong | 400.00 | 0.00 | 400.00 |
| TLC 2006 | China | ChongQing Chong You | 7,200.00 | 0.00 | 7,200.00 |
| TLC 2006 | China | Jiangxi Lianchuang | 7,200.00 | 0.00 | 7,200.00 |
| TLC 2006 | China | Naike (HK) Digital | 7,200.00 | 0.00 | 7,200.00 |
| TLC 2006 | China | Shenzhen Orea Design | 3,600.00 | 0.00 | 3,600.00 |
| TLC 2006 | China | Sipnovo | 7,200.00 | 0.00 | 7,200.00 |
| TLC 2006 | China | Tiger NetCom | 3,150.00 | 0.00 | 3,150.00 |
| TLC 2006 | China | Vapel Power | 4,800.00 | 0.00 | 4,800.00 |
|  |  |  |  |  |  |
| **TLC 2006** |  |  |  |  | **40,750.00** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Event** | **Country** | **Company** | **Amount invoiced** | **Payment received** | **Balance due** |
|  |  |  |  |  |  |
| TLC 2009 | USA | E: Telesis Energy and Data | 10,800.00 | 0.00 | 10,800.00 |
| TLC 2009 | India | REVE Systems (S) Pte Ltd | 10,800.00 | 0.00 | 10,800.00 |
| TLC 2009 | USA | UTStarcom Inc. | 94,050.00 | 47,025.00 | 47,025.00 |
|  |  |  |  |  |  |
| **TLC 2009** |  |  |  |  | **68,625.00** |

**List of debtors at 31 December 2020 for closed ITU TELECOM events (*cont’d*)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Event** | **Country** | **Company** | **Amount invoiced** | **Payment received** | **Balance due** |
|  |  |  |  |  |  |
| TLC 2011 | Switzerland | Client World 2011\* | 203,243.05 | 194,643.25 | 8,599.80 |
|  |  |  |  |  |  |
| **TLC 2011** |  |  |  |  | **8,599.80** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Event** | **Country** | **Company** | **Amount invoiced** | **Payment received** | **Balance due** |
|  |  |  |  |  |  |
| TLC 2014 | Congo | Ministère des Postes | 110,000.00 | 0.00 | 110,000.00 |
|  |  |  |  |  |  |
| TLC 2014 |  |  |  |  | **110,000.00** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Event** | **Country** | **Company** | **Amount invoiced** | **Payment received** | **Balance due** |
|  |  |  |  |  |  |
| TLC 2015 | Sri Lanka | Negete Private Ltd. | 1,200.00 | 0.00 | 1,200.00 |
| TLC 2015 | Egypt | Tawasol IT | 1,200.00 | 0.00 | 1,200.00 |
|  |  |  |  |  |  |
| TLC 2015 |  |  |  |  | **2,400.00** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Event** | **Country** | **Company** | **Amount invoiced** | **Payment received** | **Balance due** |
|  |  |  |  |  |  |
| TLC 2016 | Uganda | Abercom(U) | 1,200.00 | 0.00 | 1,200.00 |
| TLC 2016 | Kenya | FarmDrive | 1,200.00 | 0.00 | 1,200.00 |
| TLC 2016 | Argentina | Ministerio de Comunicaciones | 40,000.00 | 0.00 | 40,000.00 |
| TLC 2016 | Sudan | National Information Center | 50,000.00 | 0.00 | 50,000.00 |
|  |  |  |  |  |  |
| TLC 2016 |  |  |  |  | **92,400.00** |

**List of debtors at 31 December 2020 for closed ITU TELECOM events (*end*)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Event** | **Country** | **Company** | **Amount invoiced** | **Payment received** | **Balance due** |
|  |  |  |  |  |  |
| TLC 2017 | Yemen | AnaMehani | 1,200.00 | 0.00 | 1,200.00 |
| TLC 2017 | Cameroon | Citizen Assoc. For Tech. Development | 1,200.00 | 0.00 | 1,200.00 |
| TLC 2017 | Benin | Ministère de l'Economie Numérique | 50,000.00 | 47,048.89 | 2,951.11 |
| TLC 2017 | Gabon | Ministère de l'Economie Numérique | 138,000.00 | 0.00 | 138,000.00 |
|  |  |  |  |  |  |
| TLC 2017 |  |  |  |  | **143,351.11** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Event** | **Country** | **Company** | **Amount invoiced** | **Payment received** | **Balance due** |
|  |  |  |  |  |  |
| TLC 2018 | South Africa | Ekasi Gaming | 800.00 | 0.00 | 800.00 |
| TLC 2018 | Cameroon | Iplans SA | 1,200.00 | 0.00 | 1,200.00 |
| TLC 2018 | United Kingdom | Quika Limited | 31,800.00 | 0.00 | 31,800.00 |
|  |  |  |  |  |  |
| TLC 2018 |  |  |  |  | **33,800.00** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Event** | **Country** | **Company** | **Amount invoiced** | **Payment received** | **Balance due** |
|  |  |  |  |  |  |
| TLC 2019 | Congo | Centre Intégré de Développement (CID) | 5,400.00 | 0.00 | 5,400.00 |
| TLC 2019 | South Africa | Orizur Consulting Enterprise Pty Ltd. | 1,000.00 | 0.00 | 1,000.00 |
| TLC 2019 | UAE | Smart Life for IT | 5,400.00 | 0.00 | 5,400.00 |
| TLC 2019 | Ghana | Tawo Mobile Technologies | 1,000.00 | 0.00 | 1,000.00 |
| TLC 2019 | India | Telecommunication Headsets India Ltd. | 800.00 | 0.00 | 800.00 |
| TLC 2019 | Hungary | The Digital Future Foundation | 48,000.00 | 0.00 | 48,000.00 |
|  |  |  |  |  |  |
| TLC 2019 |  |  |  |  | **61,600.00** |

|  |  |
| --- | --- |
| World debtors | **561,525.91** |
| Africa debtors | **40,480.00** |
|  |  |
| Total debtors | **602,005.91** |

ANNEX E

List of sponsors non paid at 31 December 2020

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
| **Country** | **Company** | **Invoice amount** | **CUR** | **Remaining balance** |
|  |  |  |  |  |
|  |  |  |  |  |
| South Korea | MIND AI | 60,000 | CHF | 60,000 |
| United Kingdom | Inmarsat | 4,000 | USD | 4,000 |
| Zimbabwe | POTRAZ | 350,194 | EUR | 350,194 |
| Switzerland | WHO | 250,000 | USD | 250,000 |
| USA | ITSO | 30,000 | USD | 30,000 |
| Switzerland | ICANN | 15,000 | CHF | 15,000 |
| Saudi Arabia | NCA | 854,116 | USD | 52,716 |
| Hungary | Broadband Foundation | 129,968,000 | HUF | 117,548,000 |
| Bahamas | The Permanent Secretary | 365,500 | USD | 500 |
| Switzerland | ILO | 25,000 | USD | 25,000 |
| BENIN | UNPFA | 75,000 | USD | 75,000 |
| Saudi Arabia | BADIR | 358,450 | USD | 358,450 |
| USA | Pink Lion | 5,000 | CHF | 5,000 |
| Switzerland | Immersion4 | 50,000 | CHF | 50,000 |

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_